

ONE HUNDRED SIXTH DAY

St. Paul, Minnesota, Friday, May 6, 1994

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

CALL OF THE SENATE

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

Prayer was offered by Senator Joanne E. Benson.

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

Adkins	Dille	Kroening	Murphy	Runbeck
Anderson	Finn	Laidig	Neuville	Sams
Beckman	Flynn	Langseth	Novak	Samuelson
Belanger	Frederickson	Larson	Oliver	Solon
Benson, D.D.	Hanson	Lesewski	Olson	Spear
Benson, J.E.	Hottinger	Lessard	Pappas	Stevens
Berg	Janezich	Luther	Pariseau	Stumpf
Berglin	Johnson, D.E.	Marty	Piper	Terwilliger
Bertram	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Betzold	Johnson, J.B.	Merriam	Price	Wiener
Chandler	Johnston	Metzen	Ranum	
Chmielewski	Kelly	Moe, R.D.	Reichgott Junge	
Cohen	Kiscaden	Mondale	Riveness	
Day	Knutson	Morse	Robertson	

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.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	2010	548	3:14 p.m. May 4	May 4
2210		549	3:10 p.m. May 4	May 4
	2362	550	3:14 p.m. May 4	May 4
	2410	551	3:15 p.m. May 4	May 4
2104		552	3:11 p.m. May 4	May 4
	2034	553	3:16 p.m. May 4	May 4
	2226	554	3:17 p.m. May 4	May 4
	2120	556	3:18 p.m. May 4	May 4
	2485	557	3:19 p.m. May 4	May 4
2709		558	3:12 p.m. May 4	May 4
	2710	559	3:22 p.m. May 4	May 4
	2624	560	3:27 p.m. May 4	May 4
	3032	561	3:29 p.m. May 4	May 4
2277		562	3:15 p.m. May 4	May 4
2072		563	3:08 p.m. May 4	May 4
2690		564	3:14 p.m. May 4	May 4
2500		565	3:40 p.m. May 4	May 4

Sincerely,
Joan Anderson Growe
Secretary of State

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 Senate File No. 103, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 103: A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling; prescribing the powers and duties of licensees and the board; giving the gambling control board director cease and desist authority for violations of board rules; adding restrictions for bingo halls, distributors, and manufacturers; providing more flexibility in denying a license application to ensure the integrity of the lawful gambling industry; strengthening the gambling control board's enforcement ability by increasing licensing requirements; establishing the combined receipts tax as a lawful purpose expenditure; expanding definition of lawful purpose to include certain senior citizen activities, certain real estate taxes and assessments, and wildlife management projects; prohibiting the use of lawful purpose contributions by local governmental units in pension or retirement funds; exempting organizations with gross receipts of \$50,000 or less from the annual audit; expanding the definition of a class C license; making class C licensee reporting requirements quarterly; modifying the definition of allowable expense to include some advertising costs; eliminating additional compensation for the state lottery director; clarifying and strengthening the regulation of the conduct of bingo; prohibiting certain forms of gambling by persons under 18; modifying the definition of net profits for local assessments; prescribing penalties; amending Minnesota Statutes 1992, sections 240.13, subdivision 8; 240.25, by adding a subdivision; 240.26, subdivision 3; 299L.03, subdivisions 1 and 2; 299L.07, by adding a subdivision; 349.12, subdivisions 1, 3a, 4, 8, 11,

18, 19, 21, 23, 25, 30, 32, 34, and by adding a subdivision; 349.151, subdivision 4; 349.152, subdivisions 2 and 3; 349.153; 349.154, subdivision 2; 349.16, subdivisions 6 and 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166, subdivisions 1, 2, and 3; 349.167, subdivisions 1 and 4; 349.168, subdivisions 3 and 6; 349.169, subdivision 1; 349.17, subdivisions 2, 4, 5, and by adding a subdivision; 349.174; 349.18, subdivisions 1, 1a, and 2; 349.19, subdivisions 2, 5, 6, 8, and 9; 349.191, subdivisions 1, 4, and by adding a subdivision; 349.211, subdivisions 1 and 2; 349.2122; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and by adding a subdivision; 349.213, subdivision 1; 349A.03, subdivision 2; 349A.12, subdivisions 1, 2, 5, and 6; and 609.755; proposing coding for new law in Minnesota Statutes, chapters 471; and 609; repealing Minnesota Statutes 1992, sections 349A.03, subdivision 3; and 349A.08, subdivision 3.

Senate File No. 103 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1994

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. 1662, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1662: A bill for an act relating to family; adopting the uniform interstate family support act; repealing the revised uniform reciprocal enforcement of support act; proposing coding for new law in Minnesota Statutes, chapter 518C; repealing Minnesota Statutes 1992, sections 518C.01 to 518C.36.

Senate File No. 1662 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1994

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. 2913, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2913: A bill for an act relating to state government; supplementing appropriations for public safety; the environment and natural resources; the general legislative, judicial, and administrative expenses of state government; community development; and human services; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.737, subdivisions 1 and 4; 16A.124, subdivisions 2 and 7; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 41A.09, subdivisions 2 and 5; 43A.37, subdivision 1; 60K.06; 60K.19, subdivision 8; 62A.046; 62A.048; 62A.27; 62D.102; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08,

subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 84.0887, by adding subdivisions; 84A.32, subdivision 1; 85A.02, subdivision 17; 144.804, subdivision 1; 144A.47; 171.06, subdivision 3; 176.102, subdivisions 3a and 14; 176.611, subdivision 6a; 204B.27, by adding a subdivision; 221.041, by adding a subdivision; 221.171, subdivision 2; 245.97, subdivision 1; 246.18, by adding a subdivision; 252.025, by adding a subdivision; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256B.056, by adding a subdivision; 256B.0625, subdivision 25, and by adding a subdivision; 256B.0641, subdivision 1; 256B.431, subdivision 17; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 296.02, subdivision 7; 354.06, subdivision 1; 462A.05, by adding a subdivision; 477A.12; 504.33, subdivision 4; 504.35; 518.171, subdivision 5; and 518.613, subdivision 7; Minnesota Statutes 1993 Supplement, sections 15.50, subdivision 2; 41A.09, subdivision 3; 62A.045; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 97A.028, subdivisions 1 and 3; 116J.966, subdivision 1; 138.763, subdivision 1; 144A.071, subdivisions 3 and 4a; 239.785, subdivision 2, and by adding a subdivision; 245.97, subdivision 6; 246.18, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 256.969, subdivision 24; 256B.431, subdivision 24; 256I.04, subdivision 3; 257.55, subdivision 1; 257.57, subdivision 2; 268.98, subdivision 1; 477A.13; 477A.14; 504.33, subdivision 7; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; and 518.615, subdivision 3; Laws 1993, chapter 369, section 5, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 145; 148; 268; and 518; repealing Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 268.32; 268.551; 268.552; 355.04; and 355.06; Laws 1985, First Special Session chapter 12, article 11, section 19.

Senate File No. 2913 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1994

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. 3011, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3011 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 3011

A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metro-

politan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 3011, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 3011 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. Minnesota Statutes 1992, section 160.262, is amended by adding a subdivision to read:

Subd. 4. [DESIGN-BUILD BRIDGES FOR NONMOTORIZED VEHICLES.] For streets and highways, the commissioner shall allow for the acceptance of performance-specification bids, made by the lowest responsible bidder, for constructing design-build bridges for bicycle paths, bicycle trails, and pedestrian facilities that are:

(1) designed and used primarily for nonmotorized transportation, but may allow for motorized wheelchairs, golf carts, necessary maintenance vehicles and, when otherwise permitted by law, rule, or ordinance, snowmobiles; and

(2) located apart from any road or highway or protected by barriers, provided that a design-built bridge may cross over and above a road or highway.

Sec. 2. Minnesota Statutes 1992, section 160.81, is amended to read:

160.81 [HIGHWAYS IN RECREATION AREAS.]

Subdivision 1. [JOINT STANDARDS.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall establish standards for trunk highway segments located in areas of unusual scenic interest. The standards shall:

(1) establish and ensure that the safety of the traveling public is maintained or enhanced;

(2) define “areas of unusual scenic interest,” which must include major recreational areas, historic areas, and major publicly and privately owned tourist attractions;

(2) (3) prescribe standards for right-of-way, shoulders, and parking areas for trunk highway segments in such areas; and

(3) (4) prescribe standards for scenic overlooks, parking piers and other parking areas, tourist information facilities, public water access points and other facilities intended to expand the recreational use of trunk highway segments in such areas.

Subd. 2. [PLAN.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall prepare a plan for the recreational uses of trunk highway right-of-way and adjacent public land in areas of unusual scenic interest. *The plan must ensure that the safety of the traveling public is maintained or enhanced.* The plan must provide for the enhancement of such recreational uses by the construction of new recreational facilities or the improvement or rehabilitation of existing recreational facilities, as enumerated in subdivision 1, clause (3) (4). The plan must provide for joint development of these facilities by the departments of transportation and natural resources, where feasible, and must contain provisions permitting local

units of government and regional development commissions to participate in the planning and development of recreational facilities.

Subd. 3. [RECREATIONAL FACILITIES.] The commissioner of transportation may, in areas of unusual scenic interest:

(1) construct, improve, and maintain recreational facilities, including parking areas, scenic overlooks, and tourist information facilities, on trunk highway right-of-way and adjacent areas; and

(2) construct, improve, and maintain access ramps and turnoffs to connect trunk highways with recreational land owned by the department of natural resources.

Sec. 3. Minnesota Statutes 1992, section 160.82, subdivision 2, is amended to read:

Subd. 2. [RESTRICTIONS.] A road authority may not make a change in the width, grade, or alignment of a park road that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, unless:

(1) the change is required to permit the safe travel of vehicles at the speed lawfully designated for the park road, *in which case the change must be made*; or

(2) if the road is a county state-aid highway or municipal state-aid street, the change is required by the minimum state-aid standard applicable to the road.

Sec. 4. Minnesota Statutes 1992, section 162.06, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside *each year a sum of money as is necessary to provide for the calendar year equal to one percent of the remaining money in the county state-aid highway fund to provide for a disaster account of \$300,000; provided that the total amount of money in the disaster account shall never exceed one percent of the total sums to be apportioned to the counties.* This sum shall be used to provide aid to any county encountering disasters or unforeseen events affecting its county state-aid highway system, and resulting in an undue and burdensome financial hardship. Any county desiring aid by reason of such disaster or unforeseen event shall request the aid in the form required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of ~~three county engineers and three county commissioners from counties~~ *two representatives of the counties, who must be either a county engineer or member of a county board, from counties other than the requesting county, and a representative of the commissioner.* The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the county from the disaster account shall be made by the commissioner. Upon determining to aid any such county the commissioner shall certify to the commissioner of finance the amount of the aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the county treasurer of the county. Money so paid shall be expended on the county state-aid highway system in accordance with the rules of the commissioner.

Sec. 5. Minnesota Statutes 1992, section 162.06, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.07, subdivision 5, may recommend to the commissioner a sum of money that the commissioner shall set aside from the county state-aid highway fund and credit to a research account. The amount so recommended and set aside shall not exceed ~~one-quarter~~ *one-half* of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(a) (1) conducting research for improving the design, construction, maintenance and environmental compatibility of state-aid highways and appurtenances;

(b) (2) constructing research elements and reconstructing or replacing research elements that fail; and

(c) (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year *from the sum set aside for the year immediately previous*, shall be transferred to the county state-aid highway fund.

Sec. 6. Minnesota Statutes 1992, section 162.09, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MILEAGE LIMITATION; RULES.] There is created a municipal state-aid street system within *statutory and home rule charter* cities having a population of 5,000 or more. The extent of the municipal state-aid street system *for a city* shall not exceed ~~2,500~~ *20 percent of the total miles of city streets and county roads within the jurisdiction of that city*, plus (2) the mileage of all trunk highways reverted or turned back to the jurisdiction of ~~cities~~ *the city* pursuant to law on and after July 1, 1965, plus (3) *the mileage of county highways reverted or turned back to the jurisdiction of the city pursuant to law on or after the effective date of this act*. The system shall be established, located, constructed, reconstructed, improved, and maintained as public highways within such cities under rules, not inconsistent with this section, made and promulgated by the commissioner as hereinafter provided.

Sec. 7. Minnesota Statutes 1992, section 162.12, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year a sum of money equal to two percent of the remaining money in the municipal state-aid street fund to provide for a disaster account; provided, that the total amount of money in the disaster account shall never exceed five percent of the total sums to be apportioned to the *statutory and home rule charter* cities having a population of 5,000 or more. The disaster account shall be used to provide aid to any such city encountering disaster or unforeseen event affecting the municipal state-aid street system of the city, and resulting in an undue and burdensome financial hardship. Any such city desiring aid by reason of such disaster or unforeseen event shall request aid in the form

required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of ~~three engineers and three members of the governing bodies~~ *two representatives of the cities, who must be either a city engineer or member of the governing body of a city, from cities other than the requesting city, and a representative of the commissioner.* The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the city from the disaster account shall be made by the commissioner. Upon determining to aid the city, the commissioner shall certify to the commissioner of finance the amount of aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the fiscal officer of the city. Money so paid shall be expended on the municipal state-aid street system in accordance with rules of the commissioner.

Sec. 8. Minnesota Statutes 1992, section 162.12, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.13, subdivision 3, may recommend to the commissioner a sum of money that the commissioner shall set aside from the municipal state-aid street fund and credit to a research account. The amount so recommended and set aside shall not exceed ~~one-quarter~~ *one-half* of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(a) (1) conducting research for improving the design, construction, maintenance and environmental compatibility of municipal state-aid streets and appurtenances;

(b) (2) constructing research elements and reconstructing or replacing research elements that fail; and

(c) (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the municipal state-aid street fund.

Sec. 9. Minnesota Statutes 1992, section 168.1281, is amended by adding a subdivision to read:

Subd. 5. [PICKUP OF PASSENGERS RESTRICTED.] (a) A vehicle bearing personal transportation service license plates may not pick up passengers for hire within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county.

(b) The registrar shall include a notice of the restriction in paragraph (a), with its effective date, with each set of personal transportation service license plates issued.

Sec. 10. Minnesota Statutes 1992, section 169.01, is amended by adding a subdivision to read:

Subd. 79. [RESIDENTIAL ROADWAY.] Residential roadway means a street or portion of a street that is less than one-quarter mile in length and is functionally classified by the commissioner of transportation as a local street.

Sec. 11. Minnesota Statutes 1992, section 169.06, is amended by adding a subdivision to read:

Subd. 5a. [TRAFFIC CONTROL SIGNALS; OVERRIDE SYSTEM.] All electronic traffic control signals installed by a road authority on and after January 1, 1995, must be prewired to facilitate a later addition of a system that allows the operator of an authorized emergency vehicle to activate a green traffic signal for the vehicle.

Sec. 12. Minnesota Statutes 1992, section 169.14, subdivision 2, is amended to read:

Subd. 2. [SPEED LIMITS.] (a) Where no special hazard exists the following speeds shall be lawful, but any speeds in excess of such limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that the speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful:

- (1) 30 miles per hour in an urban district;*
- (2) 65 miles per hour in other locations during the daytime;*
- (3) 55 miles per hour in such other locations during the nighttime;*
- (4) ten miles per hour in alleys; and*

(5) 25 miles per hour in residential roadways if adopted by the road authority having jurisdiction over the residential roadway.

(b) A speed limit adopted under paragraph (a), clause (5), is not effective unless the road authority has erected signs designating the speed limit and indicating the beginning and end of the residential roadway on which the speed limit applies.

(c) "Daytime" means from a half hour before sunrise to a half hour after sunset, except at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet. "Nighttime" means at any other hour or at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet.

Sec. 13. Minnesota Statutes 1992, section 169.64, subdivision 4, is amended to read:

Subd. 4. [BLUE LIGHTS.] (a) Except as provided in paragraph (b), blue lights are prohibited on all vehicles except road maintenance equipment and snow removal equipment operated by or under contract to the state or a political subdivision thereof.

(b) Authorized emergency vehicles may display flashing blue lights to the rear of the vehicle as a warning signal in combination with other lights permitted or required by this chapter.

Sec. 14. Minnesota Statutes 1993 Supplement, section 169.685, subdivision 5, is amended to read:

Subd. 5. [VIOLATION; PENALTY.] (a) Every motor vehicle operator, when transporting a child under the age of four on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's

instructions, a child passenger restraint system meeting federal motor vehicle safety standards.

(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child under the age of four in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system. Any motor vehicle operator who violates this subdivision is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than \$50. The fine may be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

(c) *The fines collected for violations of this subdivision must be deposited in the state treasury and credited to a special account to be known as the Minnesota child passenger restraint and education account.*

Sec. 15. Minnesota Statutes 1992, section 169.685, is amended by adding a subdivision to read:

Subd. 7. [APPROPRIATION; SPECIAL ACCOUNT.] The Minnesota child passenger restraint and education account is created in the state treasury, consisting of fines collected under subdivision 5 and other money appropriated or donated. The money in the account is annually appropriated to the commissioner of public safety, to be used to provide child passenger restraint systems to families in financial need and to provide an educational program on the need for and proper use of child passenger restraint systems. The commissioner shall report to the legislature by February 1 of each odd-numbered year on the commissioner's activities and expenditure of funds under this section.

Sec. 16. Minnesota Statutes 1992, section 169.825, subdivision 11, is amended to read:

Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.] (a) The limitations provided in this section are increased:

(1) by ten percent from January 1 to March 7 each winter, statewide;

(2) by ten percent from December 1 through December 31 each winter in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior along trunk highway No. 61 to the junction with trunk highway No. 210; thence westerly along trunk highway No. 210 to the junction with trunk highway No. 10; thence northwesterly along trunk highway No. 10 to the Minnesota-North Dakota border; thence northerly along that border to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior; and

(3) by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets and potatoes within an area having a 75-mile radius from the field of harvest to the point of the first unloading. The commissioner shall not issue permits under this clause if to do so will result in a loss of federal highway funding to the state.

(b) The duration of a ten percent increase in load limits is subject to

limitation by order of the commissioner, subject to implementation of springtime load restrictions, or March 7.

(c) When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in subdivision 10, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

(d) In cases where gross weights in an amount less than that set forth in this section are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in this section.

(e) Notwithstanding any other provision of this subdivision, no vehicle may exceed a total gross vehicle weight of 80,000 pounds on routes which have not been designated by the commissioner under section 169.832, subdivision 11:

(f) The commissioner may, after determining the ability of the highway structure and frost condition to support additional loads, grant a permit extending seasonal increases for vehicles using portions of routes falling within two miles of the southern boundary of the zone described under paragraph (a), clause (2).

Sec. 17. Minnesota Statutes 1992, section 221.011, is amended by adding a subdivision to read:

Subd. 46. [BULK COMMODITY.] "Bulk commodity" means a commodity that (1) can be poured, scooped, or shoveled into a vehicle, (2) is carried loose in that vehicle, (3) is confined by the bottom and sides of the vehicle, and (4) is not sacked, boxed, bundled, or otherwise assembled before delivery.

Sec. 18. Minnesota Statutes 1992, section 221.121, subdivision 6c, is amended to read:

Subd. 6c. [CLASS II CARRIERS.] (a) A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (9), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit or both. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal.

(b) For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal; and (2) "terminal" does not include (i) a terminal used exclusively for handling bulk commodities, and (ii) a terminal used by a permit holder who also holds a class I certificate, household goods permit, or temperature-controlled commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate, household goods permit, or temperature-controlled commodities permit.

Sec. 19. Minnesota Statutes 1992, section 221.85, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED; RULES.] No person may provide personal transportation service for hire without having obtained a personal transportation service permit from the commissioner. The commissioner shall adopt rules governing the issuance of permits and furnishing of personal transportation service. The rules must provide for:

- (1) annual inspections of vehicles;
- (2) driver qualifications including requiring a criminal history check of drivers;
- (3) insurance requirements;
- (4) advertising regulations, including requiring a copy of the permit to be carried in the personal transportation service vehicle and the use of the words "licensed and insured";
- (5) agreements with political subdivisions for sharing enforcement costs with the state;
- (6) issuance of temporary permits and fees therefor; and
- (7) other requirements the commissioner deems necessary to carry out the purposes of this section.

The rules must provide that the holder of a personal transportation service permit may not pick up passengers for hire within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county.

Sec. 20. Minnesota Statutes 1992, section 222.50, subdivision 7, is amended to read:

Subd. 7. [EXPENDITURES.] The commissioner may expend money from the rail service improvement account for the following purposes:

- (a) To make transfers as provided under section 222.57 or to pay interest adjustments on loans guaranteed under the state rail user and rail carrier loan guarantee program;
- (b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;
- (c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;
- (d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track;
- (e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;
- (f) To pay for the maintenance of rail lines and rights-of-way acquired for the state rail bank under section 222.63, subdivision 2c; and
- (g) To pay the state matching portion of federal grants for rail-highway grade crossing improvement projects.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 21. Minnesota Statutes 1992, section 222.55, is amended to read:

222.55 [RAIL USER AND RAIL CARRIER LOAN GUARANTEE PROGRAM; PURPOSE.]

In order to aid rail users in obtaining credit for participation in contracts for rail line and rolling stock rehabilitation, acquisition, or installation and for paying the costs of capital improvements necessary to improve rail service or reduce the impact of discontinuance of rail service, and to aid rail carriers in the rehabilitation of locomotives and the acquisition and rehabilitation of rolling stock; there is established a rail user and rail carrier loan guarantee program to provide state money in guarantee of loans made according to the provisions of sections 222.55 to 222.62.

Sec. 22. Minnesota Statutes 1992, section 222.56, subdivision 5, is amended to read:

Subd. 5. [LOAN.] "Loan" means a loan or advance of credit provided by a financial institution to (1) either a rail user or rail carrier for participation in contracts for rail line or rolling stock rehabilitation, acquisition, or installation, or for paying the costs of capital improvements necessary to improve rail service or reduce the impact of discontinuance of rail service, or (2) a rail carrier for rehabilitation of locomotives.

Sec. 23. Minnesota Statutes 1992, section 222.56, subdivision 6, is amended to read:

Subd. 6. [PERSONAL GUARANTEE.] "Personal Guarantee" means a personal or corporate obligation to pay the loan.

Sec. 24. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

Subd. 8. [RAIL CARRIER.] "Rail carrier" means a common carrier by rail engaged in rail transportation of people, goods, or products for hire.

Sec. 25. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

Subd. 9. [ROLLING STOCK.] "Rolling stock" means rail cars, machinery, and equipment used by a rail carrier to move people, goods, and products, but does not include maintenance of way equipment or tools used in the maintenance or upgrade of track.

Sec. 26. Minnesota Statutes 1992, section 222.57, is amended to read:

222.57 [RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.]

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee account from money otherwise available in the rail service improvement account whatever amount is necessary to implement the rail user and rail carrier loan guarantee

program ~~and, except that bond proceeds may not be transferred to the account for insurance of loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1.~~

Sec. 27. Minnesota Statutes 1992, section 222.58, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY REQUIREMENTS.] A loan is eligible for insurance under this section under the following conditions:

(a) The loan shall be in an original principal amount, bear an interest rate, contain complete amortization provisions, and have a maturity satisfactory under such terms as the commissioner may prescribe by rule.

(b) The proceeds of the loan shall be used solely for

(i) participation in contracts for capital investment loans for rail line rehabilitation, ~~or acquisition, or installation;~~

(ii) (2) capital improvement projects designed to improve rail service or reduce the economic impact of discontinuance of rail service. ~~The projects, and may include but are not limited to construction or improvement of short segments of rail line such as side track, team track, and connections between existing lines; and construction and improvement of loading, unloading, storage, and transfer facilities, and rail facilities of the rail user users or rail carriers;~~

(3) rehabilitation of locomotives owned by rail carriers primarily in operation on railroad lines within the state;

(4) rehabilitation or acquisition of rolling stock owned or acquired by rail users or rail carriers operating or doing business primarily within the state; or

(5) costs of technical and inspection services related to the rehabilitation of locomotives or acquisition or rehabilitation of rolling stock.

(c) The loan agreement shall contain such terms and provisions with respect to any other matters as the commissioner may prescribe.

(d) The borrower provides a ~~personal~~ guarantee and collateral for the loan which is acceptable to the commissioner as sufficient security to protect the interests of the state.

Sec. 28. Minnesota Statutes 1992, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK ACCOUNTS.] A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from *interest earnings, administrative payments, rentals, fees, or charges for the use of rail bank property, or received from rail line rehabilitation contracts* shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and

amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. All money to be deposited in this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 29. [471.346] [PUBLICLY OWNED AND LEASED VEHICLES IDENTIFIED.]

All motor vehicles owned or leased by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision, except for unmarked vehicles used in general police and fire work and arson investigations, shall have the name of the political subdivision plainly displayed on both sides of the vehicle in letters not less than 2-1/2 inches high and one-half inch wide. The identification must be in a color that contrasts with the color of the part of the vehicle on which it is placed and must remain on and be clean and visible throughout the period of which the vehicle is owned or leased by the political subdivision. The identification must not be on a removable plate or placard except on leased vehicles but the plate or placard must not be removed from a leased vehicle at any time during the term of the lease.

Sec. 30. [ROAD PRICING STUDY.]

The commissioner of transportation and the metropolitan council shall jointly conduct a study of road pricing options with the potential for implementation in the state of Minnesota and the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The road pricing options studied must include the option of replacing the present highway user taxes on motor fuel and motor vehicle licenses with a highway user revenue system based on a charge on each vehicle based on the number of miles traveled by that vehicle in each year. The study must also include, but is not limited to:

- (1) an analysis of the potential for charging motorists based upon the time of day the travel takes place and the level of congestion on the roadway;*
- (2) an evaluation of public acceptance and understanding of alternative road pricing options;*
- (3) a detailed analysis, evaluation, and quantification of the impacts of various road pricing options;*
- (4) a financial analysis of each road pricing option, including the implementation costs, users costs, and revenue estimates;*
- (5) selection of specific road pricing options for future demonstration and testing in the metropolitan area and/or statewide; and*
- (6) a detailed study design, schedule, and cost estimate for a draft environmental impact statement meeting appropriate state and federal requirements.*

The commissioner and metropolitan council shall report the results of the study to the legislature no later than January 15, 1996. The report must

include recommendations regarding future actions needed to move towards implementation of road pricing in Minnesota and/or the metropolitan area.

Sec. 31. [ADVISORY COUNCIL ON MAJOR TRANSPORTATION PROJECTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council is established to provide a forum at the state level for education, discussion, and advice to the legislature on the financing of major transportation projects.

Subd. 2. [AUTHORITY; DUTIES.] The advisory council shall:

(1) identify significant highway and transit projects that could not be funded within the current transportation funding structure;

(2) evaluate methods for funding the identified projects;

(3) receive public testimony and consult with governmental units; and

(4) submit to the legislature a report and recommendations for a preferred plan to finance significant highway and transit projects by February 1, 1995.

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 15 members who serve at the pleasure of the appointing authority as follows:

(1) six legislators; three members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and three members of the house of representatives appointed by the speaker; and

(2) nine public members who are residents of the state: two appointed by the subcommittee on committees of the committee on rules and administration of the senate, two appointed by the speaker of the house of representatives, and five appointed by the governor. The appointing authorities must consult with each other to assure that no more than eight members of the advisory council are of the same gender.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] Legislative staff and the commissioner of transportation shall provide administrative and staff assistance when requested by the advisory council.

Sec. 32. [LEAVE DONATION PROGRAM.]

Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to 12 hours of accrued vacation leave for the benefit of a state department of military affairs' employee whose efforts to aid victims of an automobile accident resulted in his total disability in January 1994. The vacation hours donated must be credited to the sick leave account of the receiving state employee. If the receiving state employee uses all donated time, additional hours, up to 50 hours per employee, accrued vacation leave time may be donated.

Subd. 2. [PROCESS FOR CREDITING.] The donating employee must notify the employee's agency head of the accrued vacation time the employee wishes to donate. The agency head shall transfer that amount to the sick leave account of the recipient. A donation of accrued vacation leave time is irrevocable once it has been transferred to the recipient's account.

Sec. 33. [METRO STATE DIRECTIONAL SIGNS.]

The commissioner of the department of transportation shall place directional signs for Metropolitan State University on marked interstate highways Nos. I-94 and I-35E.

Sec. 34. [TRAFFIC SIGNAL; NORTH OAKS.]

The commissioner of transportation shall, not later than June 1, 1994, install traffic signals on marked trunk highway No. 49 at its intersection with Hodgson Road Connection, at or near the entrance to the Chippewa middle school in the city of North Oaks.

Sec. 35. [TRUNK HIGHWAY NO. 280; NOISE BARRIERS.]

Subdivision 1. [DEFINITION.] For purposes of this section "trunk highway No. 280 project" means a department of transportation highway improvement project on marked trunk highway No. 280 that would improve, expand, or reconstruct the highway.

Subd. 2. [REQUIREMENT.] If the commissioner of transportation takes any action between the effective date of this section and June 30, 1996, that would have the effect of delaying the start of the trunk highway No. 280 project beyond June 30, 1997, the commissioner shall, within 12 months after taking that action, erect noise barriers on the highway between marked interstate highways Nos. I-94 and I-35W as provided in the noise barrier component of the project.

Sec. 36. [INTERSTATE HIGHWAY NO. I-394; NOISE BARRIERS.]

The commissioner of transportation shall complete the noise barrier project on the north side of marked interstate highway No. I-394 in Minneapolis adjacent to the property owned by US West, Inc. as a high priority construction project.

Sec. 37. [NOISE ABATEMENT BARRIER; BROOKLYN PARK.]

The commissioner of transportation, in accordance with the plan required under Minnesota Statutes, section 161.125, shall construct a noise abatement barrier on the easternmost side of the right-of-way of marked trunk highway No. 252 from its intersection with 73rd Avenue North to a point where 74th Avenue North would, if extended, intersect marked highway No. 252.

Sec. 38. [INTERSTATE HIGHWAY NO. I-694; NOISE BARRIERS.]

The commissioner of transportation shall complete the noise barrier project on the south side of interstate highway No. I-694 in Shoreview west from the end of the existing noise barrier to the Soo Line Railroad overpass near Cardigan Road, as a high priority construction project.

Sec. 39. [STUDY OF INSURANCE-BASED SEAT BELT USE.]

The commissioners of commerce and public safety shall jointly study the desirability of enacting legislation requiring automobile insurers to offer insureds the option of purchasing automobile insurance based upon seat belt usage. The report must address the following issues:

(1) imposition of a substantial deductible for claims for injuries incurred when a seat belt is not used;

(2) actuarially appropriate premium reductions by insurers for providing this coverage; and

(3) imposition of penalties for failure to wear seat belts after such an option is purchased.

The commissioners shall report their written findings and recommendations to the legislature no later than January 1, 1996.

Sec. 40. [ENVIRONMENTAL IMPACT STATEMENT.]

The commissioner of transportation shall not take any action to widen and replace the I-35W bridge deck over Minnehaha Parkway until an environmental impact statement has been issued.

Sec. 41. [REPEALER.]

(a) Minnesota Statutes 1992, section 222.58, subdivision 6, is repealed.

(b) Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; and Laws 1993, chapter 323, sections 3 and 4, are repealed.

Sec. 42. [EFFECTIVE DATE.]

Sections 1, 6, 12, 17, 30, 32, 33, and 35 to 40, are effective the day following final enactment. Section 14 is effective August 1, 1994, for violations committed on and after that date. Section 31 is effective the day following final enactment and is repealed June 30, 1995. Sections 9, 19, and 41, paragraph (b), are effective August 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 84.928, subdivision 1, is amended to read:

Subdivision 1. [OPERATION ON ROADS AND RIGHTS-OF-WAY.] (a) A person shall not operate an all-terrain vehicle along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way other than in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway in this state unless otherwise allowed in sections 84.92 to 84.929.

(b) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

(c) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. *This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 9, or the department of natural resources when performing or exercising official duties or powers.*

(d) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

(e) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

Sec. 2. Minnesota Statutes 1992, section 160.085, subdivision 3, is amended to read:

Subd. 3. [DESCRIPTION MAY REFER TO MAP OR PLAT.] (a) Land acquisition by the road authority for highway purposes by instrument of conveyance or by eminent domain proceedings, may refer to ~~said~~ the map or plat and parcel number, together with delineation of the parcel, as the only manner of description necessary for the acquisition.

(b) *In addition, land disposition by the road authority by instrument of conveyance may refer to the map or plat and parcel number, together with delineation of the parcel, as the only manner of description necessary for the disposition.*

Sec. 3. Minnesota Statutes 1992, section 161.25, is amended to read:

161.25 [TEMPORARY TRUNK HIGHWAY DETOUR AND TEMPORARY TRUNK HIGHWAY; HAUL ROAD.]

~~On determining~~ *If*, for the purpose of constructing or maintaining any trunk highway, ~~that the use of~~ any public street or highway is necessary for a detour or haul road, the commissioner may designate ~~by order~~ any such street or highway as a temporary trunk highway detour or as a temporary trunk highway haul road, and shall thereafter maintain the same as a temporary trunk highway until the commissioner revokes the designation. Prior to revoking the designation the commissioner shall restore such streets or highways to as good condition as they were prior to the designation of same as temporary trunk highways. Upon revoking the ~~designations such streets or highways~~ designation, *the street or highway* shall revert to the subdivision charged with the care thereof at the time it was taken over as a temporary trunk highway.

Sec. 4. [161.442] [RECONVEYANCE TO FORMER OWNER.]

Notwithstanding sections 161.23, 161.41, 161.411, 161.43, 161.44, or any other statute, the commissioner of transportation, at the commissioner's sole discretion, may transfer, sell, or convey real property including fixtures, and interests in real property including easements, to the owner from whom the property was acquired by the state for trunk highway purposes through a pending eminent domain action. The transfer of title may be by stipulation, partial dismissal, bill of sale, or conveyance. Any resulting change in the state's acquisition must be explained in the final certificate for that action. This provision does not confer on a landowner the right to compel a reconveyance without the consent of the commissioner.

Sec. 5. Minnesota Statutes 1992, section 165.03, is amended to read:

165.03 [STRENGTH OF BRIDGES; INSPECTIONS.]

Subdivision 1. [STANDARDS GENERALLY.] Each bridge, including a privately owned bridge, must conform to the strength, width, clearance, and safety standards imposed by the commissioner for the connecting highway or street. This subdivision applies to a bridge that is constructed after August 1, 1989, on any public highway or street. The bridge must have sufficient strength to support with safety the maximum vehicle weights allowed under section 169.825 and must have the minimum width specified in section 165.04, subdivision 3.

Subd. 2. [INSPECTION AND INVENTORY RESPONSIBILITIES; RULES; FORMS.] The commissioner of transportation shall adopt official inventory and bridge inspection report forms for use in making bridge inspections by the highway authorities specified by this subdivision. Bridge inspections shall be made *at regular intervals, not to exceed two years*, by the following officials:

(a) The commissioner of transportation for all bridges located wholly or partially within or over the right-of-way of a state trunk highway.

(b) The county highway engineer for all bridges located wholly or partially within or over the right-of-way of any county or township road, or any street within a municipality which does not have a city engineer regularly employed.

(c) The city engineer for all bridges located wholly or partially within or over the right-of-way of any street located within or along municipal limits.

(d) The commissioner of transportation in case of a toll bridge used by the general public; provided, that the commissioner of transportation may assess the owner for the costs of such inspection.

The commissioner of transportation shall prescribe the standards for bridge inspection and inventory by rules. The specified highway authorities shall inspect and inventory in accordance with these standards and furnish the commissioner with such data as may be necessary to maintain a central inventory.

Subd. 3. [COUNTY INVENTORY AND INSPECTION RECORDS AND REPORTS.] The county engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2(b) with the inspection reports thereof, and shall certify annually, to the commissioner of transportation, *as prescribed by the commissioner*, that inspections have been made *at regular intervals not to exceed two years*. A report of the inspections shall be filed annually, on or before February 15 of each year, with the county auditor or township clerk, or the governing body of the municipality. The report shall contain recommendations for the correction of, or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 4. [MUNICIPAL INVENTORY AND INSPECTION RECORDS AND REPORTS.] The city engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2(c) with the inspection reports thereof, and shall certify annually, to the commissioner of transportation, *as prescribed by the commissioner*, that inspections have been made *at regular intervals not to exceed two years*. A report of the inspections shall be filed annually, on or before February 15 of each year, with the governing body of the municipality. The report shall contain recommendations for the correction of, or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 5. [AGREEMENTS.] Agreements may be made among the various units of governments, or between governmental units and qualified engineering personnel to carry out the responsibilities for the bridge inspections and reports, as established by subdivision 2.

Subd. 6. [TOLL BRIDGES.] The owner of a toll bridge shall certify ~~annually~~ to the commissioner of transportation, *as prescribed by the commissioner*, that inspections of the bridge have been made *at regular intervals not to exceed two years*. The certification shall be accompanied by a report of the

inspection. The report shall contain recommendations for the correction of or legal posting of load limitations if the bridge is found to be understrength or unsafe.

Sec. 6. Minnesota Statutes 1992, section 174.03, subdivision 1a, is amended to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan by ~~July 1, 1993~~ *January 1, 1996*, and by ~~July~~ *January* 1 of each odd-numbered year thereafter. Before final adoption of a revised plan, the commissioner shall hold a hearing to receive public comment on the plan. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01; and

(2) establish objectives, policies, and strategies for achieving those goals.

Sec. 7. [BRIDGE INSPECTIONS.]

The commissioner of transportation shall ensure that bridge inspections must be made at regular intervals not to exceed two years.

Sec. 8. [LAND SALE AND EXCHANGE; WASHINGTON COUNTY.]

Subdivision 1. [SALE OF TAX-FORFEITED LAND; WASHINGTON COUNTY.] (a) Notwithstanding Minnesota Statutes, section 282.018, Washington county may convey the tax-forfeited land bordering public water described in paragraph (b), to the state of Minnesota acting through its commissioner of transportation, for the county's appraised market value.

(b) The land to be conveyed to the state of Minnesota is located in New Scandia township (T32N, R19W) in Washington county and is described as:

Government Lot 7, Section 7, Township 32 North, Range 19 West, Washington County, Minnesota;

containing 63.95 acres, more or less.

Subd. 2. [LAND EXCHANGE BETWEEN MINNESOTA AND UNITED STATES.] (a) Notwithstanding Minnesota Statutes, sections 94.342 to 94.344, the commissioner of transportation, with the unanimous approval of the Minnesota land exchange board may thereafter convey the land described in subdivision 1, paragraph (b), to the United States Department of Interior, National Park Service, in exchange for land described in paragraph (b).

(b) The land that is to be conveyed to the state of Minnesota by the United States is located in Stillwater township in Washington county and is described as follows:

That part of Government Lot 2 of Section 15, Township 30 North, Range 20 West, Washington County, Minnesota, lying northwesterly of the northwesterly right-of-way line of Trunk Highway No. 95 as now located and established and southwesterly of the following described line: Commencing at the northeast corner of Government Lot 3 of Section 15, Township 30 North, Range 20 West, also being a point on the west line of said Government Lot 2; thence North 00 degrees 02 minutes 22 seconds West; assumed bearing along said west line of Government Lot 2 a distance of

142.51 feet to the point of beginning of the line to be described; thence South 50 degrees 10 minutes 16 seconds East, 151.14 feet to an in place half-inch iron pipe monument; thence South 44 degrees 08 minutes 51 seconds East, 171.86 feet to an in place 3/8 inch iron pipe monument; thence North 87 degrees 40 minutes 47 seconds East, 124.77 feet to an in place iron bolt monument; thence South 47 degrees 38 minutes 00 seconds East, 94.53 feet to said northwesterly right-of-way line of Trunk Highway No. 95 and there terminating;

containing 2.48 acres, more or less.

(c) The land on three sides of the parcel described in subdivision 1, paragraph (b), is owned by the United States. Most of the parcel is part of an island between two channels of the St. Croix River and is within the preliminary boundary of the Lower St. Croix National Scenic Riverway. The parcel has little potential for use other than for said public purpose.

(d) The parcel of land described in paragraph (b) is west of Trunk Highway No. 95 and across the road from the Boom Site area located approximately one-half mile northeast of the city of Stillwater. This parcel is to be used for construction of a sanitary drain field for the Boom Site Rest Area. The present drain field is undersized, causes unsanitary seepage, and does not conform to modern-day health standards. This parcel is within the Lower St. Croix National Scenic Riverway boundary and has little potential for use other than public purpose and/or supplementing adjacent public facilities.

(e) The two above-described parcels of land have been appraised and are of substantially equal value.

(f) The United States has agreed to a land exchange subject to terms of its existing scenic easement on the land described in paragraph (b). The United States has agreed to the proposed construction of a sanitary drain field by the Minnesota department of transportation on the land described in paragraph (b).

(g) The conveyances transferring the land described in subdivision 1, paragraph (b), to the United States and the land described in paragraph (b) to the state of Minnesota must be in a form approved by the attorney general.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, section 173.14, is repealed. Minnesota Rules, part 8810.1300, subpart 6, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; defining terms; making technical changes; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; ensuring safety is factor in standards for scenic highways and park roads; modifying highway fund apportionment to counties and changing composition of screening board; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency

vehicles to activate traffic signals; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; allowing permits to extend seasonal gross weight limit increases; regulating provision of personal transportation service; allowing rail carriers to participate in rail user loan guarantee program; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.06, subdivisions 3 and 4; 162.09, subdivision 1; 162.12, subdivisions 3 and 4; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 169.825, subdivision 11; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, subdivision 6c; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, section 169.685, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 161; and 471; repealing Minnesota Statutes 1992, sections 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3 and 4; Minnesota Rules, part 8810.1300, subpart 6."

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

House Conferees: (Signed) Tom Osthoff, Marc Asch, Bernard L. "Bernie" Lieder, Dee Long, Gene Hugoson

Senate Conferees: (Signed) Keith Langseth, Florian Chmielewski, Sandra L. Pappas, Terry D. Johnston

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3011 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. 3011 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Mondale	Riveness
Anderson	Dille	Laidig	Morse	Runbeck
Beckman	Finn	Langseth	Murphy	Sams
Berg	Hanson	Larson	Oliver	Samuelson
Berglin	Hottinger	Lesewski	Pappas	Solón
Bertram	Janezich	Lessard	Piper	Spear
Betzold	Johnson, D.J.	Luther	Pogemiller	Stumpf
Chandler	Johnson, J.B.	Marty	Price	Vickerman
Chmielewski	Kelly	Metzen	Ranum	Wiener
Cohen	Kiscaden	Moe, R.D.	Reichgott Junge	

Those who voted in the negative were:

Belanger	Frederickson	Knutson	Neuville	Robertson
Benson, D.D.	Johnson, D.E.	McGowan	Olson	Stevens
Benson, J.E.	Johnston	Merriam	Pariseau	Terwilliger

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

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2351, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2351 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2351

A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, department of administration, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; making it a crime to engage in behavior that transmits the HIV virus; requiring dangerous repeat offenders to serve mandatory minimum terms; requiring inmates to contribute to costs of confinement; providing mandatory minimum sentences for certain criminal sexual conduct offenses; providing that certain sex offenders shall serve indeterminate sentences; making it a crime to possess a dangerous weapon in any courthouse and certain state public buildings; mandating that parents are responsible for providing health care to children; amending

Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3, and by adding a subdivision; 126.02, subdivision 1; 144.125; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 171.22, subdivision 2; 241.26, subdivision 7; 243.05, subdivision 1, and by adding subdivisions; 243.166, subdivision 5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.152, by adding a subdivision; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivisions 1 and 2; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding subdivisions; 609.52, subdivision 3; 609.5315, subdivision 3; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivisions 3a and 10e; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.101, by adding a subdivision; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 2, 6, and 14; 593.48; 609.11, subdivisions 4, 5, 7, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.378, subdivision 1; 609.531, subdivision 1; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; 626.556, subdivision 2; and 626.861, subdivision 4; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116J; 126; 144; 241; 243; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815,

as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811.

May 4, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2351, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2351 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

APPROPRIATIONS

Section 1. [CRIMINAL JUSTICE AND CRIME PREVENTION; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures “1994” and “1995,” where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994, or June 30, 1995, respectively. They are added to the appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 146, articles 2 and 3, or another named law.

SUMMARY BY FUND

	1994	1995	TOTAL
General Fund Total	\$ 1,549,000	\$ 35,164,000	\$ 36,713,000

APPROPRIATIONS

Available for the Year

Ending June 30

1994

1995

Sec. 2. ATTORNEY GENERAL	\$	-0-	\$	230,000
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This appropriation is for four attorney positions for purposes of the merger of the public higher education systems. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

For the 1996-1997 detailed operating budget submitted to the legislature, the department of finance, in consultation with the attorney general's office and the

agencies covered by article 10 shall make the proper base adjustments to the budgets of each agency in order to implement the funding changes that result from article 10.

Sec. 3. BOARD OF PUBLIC DEFENSE

-0-

4,368,000

\$4,368,000 is for the purpose of completing the assumption by the state of the costs of public defense services. This appropriation is for the period January 1, 1995, to June 30, 1995, and shall be annualized for the 1996-1997 biennium. This appropriation may be used to fund no more than one dispositional advisor in each judicial district.

Of this appropriation, the board may use up to \$23,000 for the purpose of replacing discontinued federal funding, and up to \$5,000 for a criminal trial certification program for defense attorneys and prosecutors regarding misdemeanor, gross misdemeanor, and felony criminal cases. The board shall develop the trial certification program in conjunction with the Minnesota state bar association and shall submit it to the Minnesota board of legal certification for approval.

Sec. 4. BOARD OF PEACE OFFICER OFFICER STANDARDS AND TRAINING

-0-

25,000

This appropriation is for developing a model policy for child abduction investigations. The appropriation shall not be included in the budget base for the 1996-1997 biennium.

Sec. 5. CORRECTIONS

1,549,000

21,348,000

Subdivision 1. Correctional Institutions

1,549,000

18,059,000

\$2,480,000 is for 116 correctional positions at MCF-Oak Park Heights, MCF-St. Cloud, and MCF-Stillwater to be phased in between July 1, 1994, and June 30, 1995. The appropriation must be used to add the positions according to the plans agreed to by corrections department management and union officials at the three facilities.

\$9,000,000 is to provide for additional operating expenses associated with the conversion of the Lino Lakes correctional facility to a central adult reception center and expansion of male bed capacity at the facility, including 230 beds for chemical dependency treatment; and \$5,478,000 is to provide for additional operating expenses associated with expansion of adult male bed capacity at the Faribault correctional facility upon the transfer of buildings from the department of human services to the department of corrections.

Notwithstanding any law to the contrary, the commissioner of human services may transfer any building or buildings on the Faribault regional treatment center campus to the department of corrections upon a determination that the building or buildings are no longer needed for residential treatment services programs.

\$2,250,000 is for additional salary obligations.

\$400,000 is to provide for special medical care costs for correctional inmates.

Subd. 2. Community Services

-0-	2,914,000
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\$400,000 is for two pilot programs in Hennepin and Ramsey counties to provide transitional programming and intensive surveillance and supervision for offenders who have just been released from prison on supervised release. The pilot programs shall be designed to improve offender accountability for observing the conditions of supervised release, to reduce recidivism, and to reduce the risk these offenders may pose to public safety.

The pilot programs shall include a research component designed to answer the following questions, at a minimum:

(a) Did the higher level of supervision, surveillance, and control provided under the pilot programs increase the number of offenders who successfully complied with the conditions of supervised release as compared to offenders who did not participate in the programs?

(b) Over the longer term, were there fewer felony-level crimes committed by the offenders who participated in the pilot programs as compared to offenders who did not participate in the programs?

\$400,000 is for the process of selecting and developing two work and learn sites.

\$1,500,000 is for probation services statewide.

\$174,000 is for a grant to the joint community corrections program of Dodge, Fillmore, and Olmsted counties to provide alternative programming for offenders who are presumptive commitments to state prison.

\$440,000 is for reimbursements to counties for pretrial bail evaluation services.

Subd. 3. Management Services

-0- 300,000

\$100,000 is for mini-grants to programs for juvenile female offenders.

\$200,000 is for domestic abuse advocacy services in judicial assignment districts not currently receiving grants from the department.

These appropriations shall not be included in the budget base for the 1996-1997 biennium.

Subd. 4. Federal Revenue Study

The commissioner of finance shall convene a working group composed of representatives of the departments of corrections and human services, the association of Minnesota counties, and the Minnesota association of community corrections act counties to develop state budget options for state fiscal years 1996 and 1997 which will maximize use of federal revenue or grant revenue for medical or other treatment of inmates in correctional facilities and for the treatment of juveniles adjudicated delinquent. The working group shall examine a wide range of federal and state revenue sources including, but not limited to, AFDC-Emergency Assistance available under Title IV-A of the Social Security Act; AFDC-Foster Care payments available under Title IV-E

of the Social Security Act; General Assistance Medical Care (GAMC); and Medical Assistance (MA); available under Title XIX of the Social Security Act.

Subd. 5. Prairie Correctional Facility Study

-0-

75,000

To the commissioner of corrections, to study the feasibility of purchasing the Prairie correctional facility in the city of Appleton as a medium security correctional facility. The study must address at least the following: the availability of the facility; the purchase price of the facility; suitability of the facility for state use; capital and other improvements needed, and their cost, in order to ensure that the facility meets applicable state and federal standards; and operating costs of the facility. The commissioner of administration shall provide assistance to the commissioner of corrections as needed. The study must be reported by February 1, 1995, to the chairs of the senate crime prevention and house judiciary committees, the chairs of the senate crime prevention and house judiciary finance divisions, and the chairs of the senate finance and house ways and means committees.

If the facility becomes available when the legislature is not in session, the governor, after consulting with the legislative advisory commission under Minnesota Statutes, section 3.30, may direct the commissioner to enter into agreements concerning the facility.

Subd. 6. Corrections Pension Plan

The commissioners of corrections and human services shall meet with representatives of special teachers, nursing, direct care, support, trades, and other professional correctional personnel to develop a budget plan for bringing employees who spend over 50 percent of their time in direct contact with inmates into the corrections pension plan. This plan shall be submitted to the chair of the legislative commission on pensions and retirement and the chairs of the senate crime prevention finance division and the house judi-

ciary finance division by December 1, 1994.

Subd. 7. Juvenile Female Offenders

The commissioner of corrections shall collaborate with the commissioners of human services, health, jobs and training, planning, education, public safety, and with representatives of the private sector to develop a comprehensive continuum of care to address the gender-specific needs of juvenile female offenders.

Sec. 6. CORRECTIONS OMBUDSMAN

-0-

67,000

Sec. 7. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE

-0-

50,000

\$50,000 is appropriated from the general fund to the council on the affairs of Spanish-speaking people to interview school district officials, and identify and interview Chicano/Latino student drop-outs and their parents, by population subgroups in selected Minnesota school districts, to identify the causes and factors which lead Chicano/Latino students to leave school before completing the requirements to receive the diploma. The council shall make recommendations to the chairs of the senate crime prevention committee and the house of representatives judiciary committee by January 15, 1995. The council must consult with the state board of education in conducting this study. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Sec. 8. DISTRICT COURTS

-0-

3,450,000

\$3,420,000 is for human resources enhancements, including two new district court judgeships beginning October 1, 1994, and two new district court judgeships beginning March 1, 1995; jury service enhancements phased in after January 1, 1995; new judge orientation; and training for judges on the handling of child abduction cases. This appropriation shall be annualized for the 1996-1997 biennium. The supreme court, in consultation with the state court administrator, shall determine the order in which these judgeships shall be created in the districts in which they are authorized. The court

reporter positions funded by this appropriation may be stenographic or electronic at the option of the appointing judge in accordance with Minnesota Statutes, section 486.01. Sufficient funds must be allocated for that purpose within the constraints of each judicial district budget.

\$30,000 is for training for judicial district coordinating councils on the dynamics of sexual assault and on model programs for handling sexual assault cases.

Sec. 9. EDUCATION

-0-

100,000

\$50,000 is to implement community-based truancy action projects. The project must provide a one-to-one funding match. Funds shall not be used to replace existing funding, but may be used to supplement it. This appropriation is available until expended.

\$50,000 is for awarding male responsibility and fathering program grants. This appropriation is available until June 30, 1996. The grant recipient must match \$1 of state money with at least 50 cents of nonstate money or in-kind contributions. The commissioner shall give greater consideration to awarding a grant to those programs with a greater nonstate match.

The appropriations in this section shall not be included in the budget base for the 1996-1997 biennium.

Sec. 10. HEALTH

-0-

230,000

These appropriations shall not be included in the budget base for the 1996-1997 biennium.

(a) Pilot Projects

\$150,000 is for the institute for child and adolescent sexual health to conduct pilot projects.

(b) Teen Pregnancy Reduction

\$80,000 is to develop, in consultation with the commissioner of education and a representative from Minnesota planning, a program to reduce teen pregnancy modeled after the education now and babies later (ENABL) program in California.

Sec. 11. HUMAN SERVICES

-0-

150,000

\$100,000 is for incentive grants to communities opting to include the Home Instruction Program for Preschool Youngsters (HIPPY) program as part of their family service collaborative efforts. Of this amount, the commissioner shall allocate \$25,000 to the Center for Asian-Pacific Islanders for its child care and parenting program. If the Center for Asian-Pacific Islanders does not apply for or utilize the \$25,000 by September 30, 1994, the money shall be available for funding an alternative HIPPY site.

\$50,000 is to implement the CHIPS-delinquent intervention demonstration project and to prepare the required report.

The appropriations in this section shall not be included in the budget base for the 1996-1997 biennium.

Sec. 12. JOBS AND TRAINING

-0- 1,850,000

\$1,825,000 is for the Minnesota youth program for summer youth employment. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$25,000 is for a juvenile match, to be used to maximize the federal funds available for juvenile justice programs that target at-risk youth.

Sec. 13. PUBLIC SAFETY

-0- 2,011,000

Subdivision 1. Administration and Related Services

-0- 1,151,000

\$200,000 is to fund neighborhood block clubs and community-oriented policing efforts. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$100,000 is for the crime information reward fund. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$275,000 is to develop the criminal alert network plan; to conduct a pilot crime-fax project to test the usefulness of broadcast fax for crime alert and crime prevention communications to private businesses and other entities; to evaluate the appropriate-

ness of using various existing state computer networks and the INTERNET as an alert network to disseminate information about crime and criminal suspects; and for a network coordinator position to facilitate the development of the plan, the crime-fax pilot project and the evaluation of the networks for use as a crime alert network.

\$15,000 is to distribute a manual on child abduction investigations. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$200,000 is to make grants to local law enforcement jurisdictions to develop three truancy service centers. Applicants must provide a one-to-one funding match. If the commissioner has received applications from fewer than three counties by the application deadline, the commissioner may make unallocated funds from this appropriation available to an approved grantee that can provide the required one-to-one funding match for the additional funds. This appropriation is available until expended. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$100,000 is to implement intensive neglect intervention projects. Applicants must provide a one-to-one funding match. Funds shall not be used to replace existing funding for services to children. This appropriation is available until expended. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$25,000 is for a grant to the Nett Lake community crime and drug prevention program. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$56,000 is for a grant to the Region Nine development commission for grants to community-based early intervention and prevention projects. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$10,000 is for the violence prevention study and report conducted by the chemical abuse and violence prevention coun-

cil. The council may use part of this appropriation to hire up to one staff position. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$50,000 is for a grant to fund the activities of a statewide youth safety initiative coordinated by the Minnesota student safety program. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$100,000 is for the commissioner of public safety, in cooperation with the criminal and juvenile justice information policy group, to study the feasibility and cost of developing, establishing, and operating a centralized system for tracking and integrating information regarding the arrest, prosecution, conviction, sentencing, treatment, and driver's license records of persons who commit alcohol-related driving offenses. On or before February 1, 1995, the commissioner shall submit a report to the legislature containing the commissioner's findings and recommendations. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

\$20,000 is for an independent evaluation of the intensive probation grant program established under Minnesota Statutes, section 169.1265. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

Notwithstanding any other provision of law, during the biennium ending June 30, 1995, the commissioner of public safety may transfer up to \$75,000 in unencumbered funds from the department's appropriation to the board of peace officer standards and training for payment of legal fees. The board must not rescind or otherwise change the action of its executive committee on April 26, 1994, concerning the transfer of funds from its reimbursement accounts to cover its operating deficits. It is not the legislature's intent, by this provision, to take a position regarding the merits of any pending litigation concerning the board.

Subd. 2. Criminal Apprehension

-0- 580,000

\$170,000 is to reimburse local law enforcement agencies for a portion of the costs they incur in conducting background checks and issuing permits under Minnesota Statutes, sections 624.7131 and 624.7132. Within the limits of this appropriation, the department shall reimburse local law enforcement agencies up to \$10 per firearms background check, based on satisfactory invoices submitted by the local agency.

\$120,000 is to supplement current funding for drug abuse resistance education training programs.

\$40,000 is to fund the gang resistance education training pilot program.

\$50,000 is to establish and maintain the distinctive physical mark identification system.

\$200,000 is for the fund established by Minnesota Statutes, section 299C.065.

Subd. 3. Crime Victim Services

-0- \$280,000

\$180,000 is for payment of crime victim reparations.

\$100,000 is for the operation of the crime victim ombudsman. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

Subd. 4. Transfer of unexpended funds

The commissioner may use unexpended funds appropriated under this section for the purchase of polymerase chain reaction DNA analysis kits.

Sec. 14. SUPREME COURT

-0- 285,000

\$10,000 is for training judges in handling child and adolescent sexual abuse cases.

\$75,000 is to conduct the civil commitment study.

\$100,000 is to the state court administrator for the establishment of a statewide judicial interpreter certification and training program. Interpreters, translators,

non-English speaking persons, persons for whom English is a second language, and other interested members of the public, must have an opportunity to assist in the development of the certification program criteria.

\$100,000 is for the remote electronic alcohol monitoring pilot program. The supreme court shall seek additional funding for the program from outside sources, and shall scale the program to the available funding resources. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

"Breath analyzer unit" means a device that performs breath alcohol testing and is connected to a remote electronic alcohol monitoring system.

"Remote electronic alcohol monitoring system" means a system that electronically monitors the alcohol concentration of individuals in their homes to ensure compliance with court-ordered conditions of pretrial release, supervised release, or probation.

The state court administrator, in cooperation with the conference of chief judges and the commissioner of corrections, shall establish a three-year pilot program to evaluate the effectiveness of using breath analyzer units to monitor DWI offenders who are ordered to abstain from alcohol use as a condition of pretrial release, probation, or supervised release. The pilot program shall include procedures which ensure that violators of this condition of release receive swift consequences for the violation.

The state court administrator shall select at least two judicial districts to participate in the pilot program. Offenders who are ordered to use a breath analyzer unit shall also be ordered to pay the per diem cost of the monitoring unless the offender is indigent. The state court administrator shall reimburse the judicial districts for any costs they incur in participating in the pilot program.

After three years, the state court administrator shall evaluate the program's effectiveness and shall report the results of this

evaluation to the conference of chief judges and the legislature.

Sec. 15. PRODUCTIVE DAY INITIATIVE PROGRAMS

-0- 1,000,000

Subdivision 1. Amounts

Of this amount, the following amounts are appropriated to the counties named in this section to develop and implement the productive day initiative programs.

Subd. 2. Hennepin County

-0- 500,000

Of this amount, up to \$90,000 shall be spent to administer the Northwest Law Enforcement Project.

Subd. 3. Ramsey County

-0- 250,000

Subd. 4. St. Louis County

-0- 250,000

Sec. 16. TRANSFERS

Subdivision 1. General Procedure

If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives. If the appropriation in this article to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. Transfer Prohibited

If an amount is specified in this article for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 17. UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 1995, unless a different expiration is explicit.

ARTICLE 2

GENERAL CRIME PROVISIONS

Section 1. Minnesota Statutes 1992, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) The commissioner of natural resources may adopt emergency and permanent rules restricting the introduction, propagation, use, possession, and spread of ecologically harmful exotic species in the state, as outlined in section 84.967. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

(c) *A violation of a rule adopted under this section is a misdemeanor.*

Sec. 2. Minnesota Statutes 1992, section 144.125, is amended to read:

144.125 [TESTS OF INFANTS FOR INBORN METABOLIC ERRORS.]

It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age and (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, to cause to have administered to every infant or child in its care tests for hemoglobinopathy, phenylketonuria, and other inborn errors of metabolism in accordance with rules prescribed by the state commissioner of health. In determining which tests must be administered, the commissioner shall take into consideration the adequacy of laboratory methods to detect the inborn metabolic error, the ability to treat or prevent medical conditions caused by the inborn metabolic error, and the severity of the medical conditions caused by the inborn metabolic error. Testing and the recording and reporting of the results of the tests shall be performed at the times and in the manner prescribed by the commissioner of health. ~~This section does not apply to an infant whose parents object on the grounds that the tests and treatment conflict with their religious tenets and practices.~~ The commissioner shall charge laboratory service fees for conducting the tests of infants for inborn metabolic errors so that the total of fees collected will approximate the costs of conducting the tests. Costs associated with capital expenditures and the development of new procedures may be prorated over a three-year period when calculating the amount of the fees.

Sec. 3. Minnesota Statutes 1992, section 169.89, subdivision 2, is amended to read:

Subd. 2. [PENALTY; JURY TRIAL.] A person charged with a petty misdemeanor is not entitled to a jury trial but shall be tried by a judge without a jury. If convicted, the person is not subject to imprisonment but shall be punished by a fine of not more than ~~\$100~~ \$200.

Sec. 4. Minnesota Statutes 1992, section 171.18, subdivision 1, is amended to read:

Subdivision 1. [OFFENSES.] The commissioner may suspend the license of a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction;

(2) has been convicted by a court for violating a provision of chapter 169 or an ordinance regulating traffic and department records show that the violation contributed in causing an accident resulting in the death or personal injury of another, or serious property damage;

(3) is an habitually reckless or negligent driver of a motor vehicle;

(4) is an habitual violator of the traffic laws;

(5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

(6) has permitted an unlawful or fraudulent use of the license;

(7) has committed an offense in another state that, if committed in this state, would be grounds for suspension;

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a);

(9) has committed a violation of section 171.22, *except that the commissioner may not suspend a person's driver's license based solely on the fact that the person possessed a fictitious or fraudulently altered Minnesota identification card;*

(10) has failed to appear in court as provided in section 169.92, subdivision 4; or

(11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges.

However, an action taken by the commissioner under clause (2) or (5) must conform to the recommendation of the court when made in connection with the prosecution of the licensee.

Sec. 5. Minnesota Statutes 1992, section 171.22, subdivision 2, is amended to read:

Subd. 2. [PENALTIES.] Any person who violates subdivision 1, clause (7) or (8) ~~or (9)~~, is guilty of a gross misdemeanor. Any person who violates any other provision of subdivision 1 is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1993 Supplement, section 171.24, is amended to read:

171.24 [VIOLATIONS; DRIVING WITHOUT VALID LICENSE.]

~~(a)~~ Subdivision 1. [DRIVING AFTER SUSPENSION.] Except as otherwise provided in ~~paragraph (e)~~ subdivision 5, ~~any~~ a person ~~whose~~ is guilty of a misdemeanor if:

(1) *the person's driver's license or driving privilege has been canceled, suspended, or revoked and who;*

(2) *the person has been given notice of, or reasonably should know of the revocation, suspension, or cancellation,; and who*

(3) *the person disobeys such the order by operating anywhere in this state any motor vehicle, the operation of which requires a driver's license, while such the person's license or privilege is canceled, suspended, or revoked is guilty of a misdemeanor.*

~~(b)~~ Subd. 2. [DRIVING AFTER REVOCATION.] A person is guilty of a misdemeanor if:

(1) *the person's driver's license or driving privilege has been revoked;*

(2) *the person has been given notice of or reasonably should know of the revocation; and*

(3) *the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.*

Subd. 3. [DRIVING AFTER CANCELLATION.] A person is guilty of a misdemeanor if:

(1) *the person's driver's license or driving privilege has been canceled;*

(2) *the person has been given notice of or reasonably should know of the cancellation; and*

(3) *the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled.*

Subd. 4. [DRIVING AFTER DISQUALIFICATION.] ~~Any~~ A person ~~who~~ is guilty of a misdemeanor if the person:

(1) *has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle, who;*

(2) *has been given notice of or reasonably should know of the disqualification; and who*

(3) *disobeys the order by operating in this state a commercial motor vehicle while the person is disqualified to hold the license or privilege, is guilty of a misdemeanor.*

~~(e)~~ Subd. 5. [GROSS MISDEMEANOR.] A person is guilty of a gross misdemeanor if:

(1) *the person's driver's license or driving privileges privilege has been canceled or denied under section 171.04, subdivision 1, clause (8); and;*

(2) *the person has been given notice of or reasonably should know of the cancellation or denial; and*

~~(2)~~ (3) *the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled or denied.*

Subd. 6. [SUFFICIENCY OF NOTICE.] (a) Notice of revocation, suspension, cancellation, or disqualification is sufficient if personally served, or if mailed by first class mail to the person's last known address or to the address listed on the person's driver's license. Notice is also sufficient if the person was informed that revocation, suspension, cancellation, or disqualification would be imposed upon a condition occurring or failing to occur, and where the condition has in fact occurred or failed to occur.

(b) It is not a defense that a person failed to file a change of address with the post office, or failed to notify the department of public safety of a change of name or address as required under section 171.11.

Sec. 7. Minnesota Statutes 1992, section 219.383, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] A railway corporation violating this section is guilty of a *petty* misdemeanor and ~~upon conviction is liable for a fine of not less than \$25 nor more than \$200.~~ *A corporation that commits a second or subsequent violation of this section is guilty of a misdemeanor.*

Sec. 8. Minnesota Statutes 1992, section 383B.225, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATION PROCEDURE.] (a) Upon notification of the death of any person, as provided in subdivision 5, the county medical examiner or a designee may proceed to the body, take charge of it, and order, when necessary, that there be no interference with the body or the scene of death. Any person violating the order of the examiner is guilty of a misdemeanor. The examiner or the examiner's designee shall make inquiry regarding the cause and manner of death and prepare written findings together with the report of death and its circumstances, which shall be filed in the office of the examiner. When it appears that death may have resulted from a criminal act and that further investigation is advisable, a copy of the report shall be transmitted to the county attorney. The examiner may take possession of all property of the deceased, mark it for identification, and make an inventory. The examiner shall take possession of all articles useful in establishing the cause of death, mark them for identification and retain them securely until they are no longer needed for evidence or investigation. The examiner shall release any property or articles needed for any criminal investigation to law enforcement officers conducting the investigation. When a reasonable basis exists for not releasing property or articles to law enforcement officers, the examiner shall consult with the county attorney. If the county attorney determines that a reasonable basis exists for not releasing the property or articles, the examiner may retain them. The property or articles shall be returned immediately upon completion of the investigation. When the property or articles are no longer needed for the investigation or as evidence, the examiner shall release the property or articles to the person or persons entitled to them. Notwithstanding any other law to the contrary, when personal property of a decedent has come into the possession of the examiner, and is not used for a criminal investigation or as evidence, and has not been otherwise released as provided in this subdivision, the name of the decedent shall be filed with the probate court, together with a copy of the inventory of the decedent's property. At that time, an examination of the records of the probate court shall be made to determine whether a will has been admitted to probate or an administration has been commenced. Property of a nominal value, including wearing apparel, may be released to the spouse or any blood

relative of the decedent or to the person accepting financial responsibility for burial of the decedent. If property has not been released by the examiner and no will has been admitted to probate or administration commenced within six months after death, the examiner shall sell the property at a public auction upon notice and in a manner as the probate court may direct; *except that the examiner shall cause to be destroyed any firearm or other weapon that is not released to or claimed by a decedent's spouse or blood relative.* If the name of the decedent is not known, the examiner shall inventory the property of the decedent and after six months may sell the property at a public auction. The examiner shall be allowed reasonable expenses for the care and sale of the property and shall deposit the net proceeds of the sale with the county administrator, or the administrator's designee, in the name of the decedent, if known. If the decedent is not known, the examiner shall establish a means of identifying the property of the decedent with the unknown decedent and shall deposit the net proceeds of the sale with the county administrator, or a designee, so, that, if the unknown decedent's identity is established within six years, the proceeds can be properly distributed. In either case, duplicate receipts shall be provided to the examiner, one of which shall be filed with the court, the other of which shall be retained in the office of the examiner. If a representative shall qualify within six years from the time of deposit, the county administrator, or a designee, shall pay the amount of the deposit to the representative upon order of the court. If no order is made within six years, the proceeds of the sale shall become a part of the general revenue of the county.

(b) For the purposes of this section, health-related records or data on a decedent, except health data defined in section 13.38, whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, shall be made promptly available to the medical examiner, upon the medical examiner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The medical examiner shall pay the reasonable costs of copies of records or data provided to the medical examiner under this section. Data collected or created pursuant to this subdivision relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated shall remain confidential or protected nonpublic data, except that the medical examiner's report may contain a summary of such data.

Sec. 9. Minnesota Statutes 1992, section 388.051, is amended by adding a subdivision to read:

Subd. 3. [CHARGING AND PLEA NEGOTIATION POLICIES AND PRACTICES; WRITTEN GUIDELINES REQUIRED.] (a) On or before January 1, 1995, each county attorney shall adopt written guidelines governing the county attorney's charging and plea negotiation policies and practices. The guidelines shall address, but need not be limited to, the following matters:

- (1) the circumstances under which plea negotiation agreements are permissible;*
- (2) the factors that are considered in making charging decisions and formulating plea agreements; and*

(3) the extent to which input from other persons concerned with a prosecution, such as victims and law enforcement officers, is considered in formulating plea agreements.

(b) Plea negotiation policies and procedures adopted under this subdivision are public data, as defined in section 13.02.

Sec. 10. Minnesota Statutes 1993 Supplement, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, pawn shops, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies, insurance records relating to the monetary payment or settlement of claims, and wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation ~~or welfare fraud investigation and there is probable cause that a crime has been committed.~~ *Administrative subpoenas may only be issued in welfare fraud cases if there is probable cause to believe a crime has been committed.* This provision applies only to the records of business entities and does not extend to private individuals or their dwellings. Subpoenas may only be served by peace officers as defined by section 626.84, subdivision 1, paragraph (c).

Sec. 11. Minnesota Statutes 1993 Supplement, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

- (1) restrain the abusing party from committing acts of domestic abuse;
- (2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;
- (3) *exclude the abusing party from a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order;*
- (4) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and visitation shall in no way delay the

issuance of an order for protection granting other reliefs provided for in this section;

~~(4)~~ (5) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;

~~(5)~~ (6) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

~~(6)~~ (7) order the abusing party to participate in treatment or counseling services;

~~(7)~~ (8) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

~~(8)~~ (9) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;

~~(9)~~ (10) order the abusing party to pay restitution to the petitioner;

~~(10)~~ (11) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation; and

~~(11)~~ (12) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate. *When a referee presides at the hearing on the petition, the order granting relief becomes effective upon the referee's signature.*

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 12. Minnesota Statutes 1993 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. Upon conviction, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A person is guilty of a gross misdemeanor who violates this paragraph during the time period between a previous conviction under this paragraph; *sections 609.221 to 609.224; 609.713, subdivisions 1 or 3; 609.748, subdivision 6; 609.749*; or a similar law of another state and the end of the five years following discharge from sentence for that conviction. Upon conviction, the defendant must be sentenced to a minimum of ten days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed \$10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also shall refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by paragraph (b).

Sec. 13. Minnesota Statutes 1992, section 609.0331, is amended to read:

609.0331 [INCREASED MAXIMUM PENALTIES FOR PETTY MISDEMEANORS.]

~~Except as provided in this section, A law of this state that provides, on or after August 1, 1987, for a maximum penalty of \$100 for a petty misdemeanor is considered to provide for a maximum fine of \$200. However, a petty misdemeanor under chapter 168 or 169 remains subject to a maximum fine of \$100, except that a violation of chapter 168 or 169 that was originally charged as a misdemeanor and is being treated as a petty misdemeanor under section 609.131 or the rules of criminal procedure is subject to a maximum fine of \$200.~~

Sec. 14. Minnesota Statutes 1992, section 609.0332, is amended to read:

609.0332 [INCREASED MAXIMUM PENALTY FOR PETTY MISDEMEANOR ORDINANCE VIOLATIONS.]

~~Subdivision 1. [INCREASED FINE.] From August 1, 1987, if a state law or municipal charter sets a limit of \$100 or less on the fines that a statutory or home rule charter city, town, county, or other political subdivision may prescribe for an ordinance violation that is defined as a petty misdemeanor, that law or charter is considered to provide that the political subdivision has the power to prescribe a maximum fine of \$200 for the petty misdemeanor violation.~~

~~Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, no fine of more than \$100 may be imposed for a petty misdemeanor ordinance violation which~~

conforms in substantial part to a petty misdemeanor provision contained in section 152.027, subdivision 4, or chapter 168 or 169.

Sec. 15. [609.132] [CONTINUANCE FOR DISMISSAL.]

The decision to offer or agree to a continuance of a criminal prosecution is an exercise of prosecutorial discretion resting solely with the prosecuting attorney.

Sec. 16. Minnesota Statutes 1993 Supplement, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] (a) A court shall commit a person to the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

(b) The court shall consider imposing a sentence under this section whenever a person is convicted of violating section 609.342 or 609.343.

Sec. 17. Minnesota Statutes 1993 Supplement, section 609.14, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay and direct that the defendant be taken into immediate custody.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court

to initiate probation revocation proceedings under the rules of criminal procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

(c) Notwithstanding the provisions of section 609.135 or any law to the contrary, after proceedings to revoke the stay have been initiated by a court order revoking the stay and directing either that the defendant be taken into custody or that a summons be issued in accordance with paragraph (a), the proceedings to revoke the stay may be concluded and the summary hearing provided by subdivision 2 may be conducted after the expiration of the stay or after the six month period set forth in paragraph (b) of this section. The proceedings to revoke the stay shall not be dismissed on the basis that the summary hearing is conducted after the term of the stay or after the six month period. The ability or inability to locate or apprehend the defendant prior to the expiration of the stay or during or after the six month period shall not preclude the court from conducting the summary hearing unless the defendant demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Sec. 18. Minnesota Statutes 1992, section 609.152, is amended by adding a subdivision to read:

Subd. 2a. [DANGEROUS REPEAT OFFENDERS; MANDATORY MINIMUM SENTENCE.] Unless a longer mandatory minimum sentence is otherwise required by law or the court imposes a longer aggravated durational departure under subdivision 2, a person who is convicted of a violent crime that is a felony must be committed to the commissioner of corrections for a mandatory sentence of at least the length of the presumptive sentence under the sentencing guidelines if the court determines on the record at the time of sentencing that the person has two or more prior felony convictions for violent crimes. The court shall impose and execute the prison sentence regardless of whether the guidelines presume an executed prison sentence. For purposes of this subdivision, "violent crime" does not include a violation of section 152.023 or 152.024. Any person convicted and sentenced as required by this subdivision is not eligible for probation, parole, discharge, or work release, until that person has served the full term of imprisonment as provided by law, notwithstanding sections 241.26, 242.19, 243.05, 244.04, 609.12, and 609.135.

Sec. 19. Minnesota Statutes 1992, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary,

aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer or a guard employed at a Minnesota state or local correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties;

(5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life; or

(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of *the following laws of this state or any similar laws of the United States or any other state*: section 609.221; 609.222; 609.223; 609.224; 609.342; 609.343; 609.344; 609.345; 609.377; 609.378; or 609.713.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344; 609.345, ~~or~~ 609.713, or any similar laws of the United States or any other state; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

Sec. 20. Minnesota Statutes 1992, section 609.223, is amended by adding a subdivision to read:

Subd. 3. [FELONY; VICTIM UNDER FOUR.] Whoever assaults a victim under the age of four, and causes bodily harm to the child's head, eyes, or neck, or otherwise causes multiple bruises to the body, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 21. Minnesota Statutes 1992, section 609.2231, subdivision 2, is amended to read:

Subd. 2. [FIREFIGHTERS AND EMERGENCY MEDICAL PERSONNEL.] Whoever assaults any of the following persons and inflicts demonstrable bodily harm is guilty of a gross misdemeanor:

(1) a member of a municipal or volunteer fire department or emergency medical services personnel unit in the performance of the member's duties; ~~or~~ assaults;

(2) a physician, nurse, or other person providing health care services in a hospital emergency department; or

(3) an employee of the department of natural resources who is engaged in forest fire activities, and inflicts demonstrable bodily harm is guilty of a gross misdemeanor.

Sec. 22. [609.2245] [FEMALE GENITAL MUTILATION; PENALTIES.]

Subdivision 1. [CRIME.] Except as otherwise permitted in subdivision 2, whoever knowingly circumcises, excises, or infibulates, in whole or in part, the labia majora, labia minora, or clitoris of another is guilty of a felony. Consent to the procedure by a minor on whom it is performed or by the minor's parent is not a defense to a violation of this subdivision.

Subd. 2. [PERMITTED ACTIVITIES.] A surgical procedure is not a violation of subdivision 1 if the procedure:

(1) is necessary to the health of the person on whom it is performed and is performed by a physician licensed under chapter 147 or a physician in training under the supervision of a licensed physician; or

(2) is performed on a person who is in labor or who has just given birth and is performed for medical purposes connected with that labor or birth by a physician licensed under chapter 147 or a physician in training under the supervision of a licensed physician.

Sec. 23. Minnesota Statutes 1992, section 609.245, is amended to read:

609.245 [AGGRAVATED ROBBERY.]

Subdivision 1. [FIRST DEGREE.] Whoever, while committing a robbery, is armed with a dangerous weapon or any article used or fashioned in a manner to lead the victim to reasonably believe it to be a dangerous weapon, or inflicts bodily harm upon another, is guilty of aggravated robbery in the first degree and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$35,000, or both.

Subd. 2. [SECOND DEGREE.] Whoever, while committing a robbery, implies, by word or act, possession of a dangerous weapon, is guilty of aggravated robbery in the second degree and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both.

Sec. 24. Minnesota Statutes 1992, section 609.25, subdivision 2, is amended to read:

Subd. 2. [SENTENCE.] Whoever violates subdivision 1 may be sentenced as follows:

(1) If the victim is released in a safe place without great bodily harm, to imprisonment for not more than 20 years or to payment of a fine of not more than \$35,000, or both; or

(2) If the victim is not released in a safe place, or if the victim suffers great bodily harm during the course of the kidnapping, or if the person kidnapped is under the age of 16, to imprisonment for not more than 40 years or to payment of a fine of not more than \$50,000, or both.

Sec. 25. Minnesota Statutes 1992, section 609.26, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] Whoever intentionally does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:

(1) conceals a minor child from the child's parent where the action manifests an intent substantially to deprive that parent of parental rights or conceals a minor child from another person having the right to visitation or custody where the action manifests an intent to substantially deprive that person of rights to visitation or custody;

(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of human services, a child placing agency, or the county welfare board;

(3) takes, obtains, retains, or fails to return a minor child from or to the parent in violation of a court order, where the action manifests an intent substantially to deprive that parent of rights to visitation or custody;

(4) takes, obtains, retains, or fails to return a minor child from or to a parent after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent of parental rights; ~~or~~

(5) retains a child in this state with the knowledge that the child was removed from another state in violation of any of the above provisions;

(6) *refuses to return a minor child to a parent or lawful custodian, and is at least 18 years old and more than 24 months older than the child;*

(7) *causes or contributes to a child being a habitual truant as defined in section 260.015, subdivision 19, and is at least 18 years old and more than 24 months older than the child;*

(8) *causes or contributes to a child being a runaway as defined in section 260.015, subdivision 20, and is at least 18 years old and more than 24 months older than the child; or*

(9) *is at least 18 years old and resides with a minor under the age of 16 without the consent of the minor's parent or lawful custodian.*

Sec. 26. Minnesota Statutes 1992, section 609.26, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] (a) Except as otherwise provided in *paragraph (b) and subdivision 5*, whoever violates this section may be sentenced as follows:

(1) to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both; or

(2) to imprisonment for not more than four years or to payment of a fine of not more than \$8,000, or both, if the court finds that:

(i) the defendant committed the violation while possessing a dangerous weapon or caused substantial bodily harm to effect the taking;

(ii) the defendant abused or neglected the child during the concealment, detention, or removal of the child;

(iii) the defendant inflicted or threatened to inflict physical harm on a parent or lawful custodian of the child or on the child with intent to cause the parent or lawful custodian to discontinue criminal prosecution;

(iv) the defendant demanded payment in exchange for return of the child or demanded to be relieved of the financial or legal obligation to support the child in exchange for return of the child; or

(v) the defendant has previously been convicted under this section or a similar statute of another jurisdiction.

(b) A violation of subdivision 1, clause (7), is a gross misdemeanor. The county attorney shall prosecute violations of subdivision 1, clause (7).

Sec. 27. Minnesota Statutes 1992, section 609.28, is amended to read:

609.28 [INTERFERING WITH RELIGIOUS OBSERVANCE.]

Subdivision 1. [INTERFERENCE.] Whoever, by threats or violence, intentionally prevents another person from performing any lawful act enjoined upon or recommended to the person by the religion which the person professes is guilty of a misdemeanor.

Subd. 2. [PHYSICAL INTERFERENCE PROHIBITED.] A person is guilty of a gross misdemeanor who intentionally and physically obstructs any individual's access to or egress from a religious establishment. This subdivision does not apply to the exclusion of a person from the establishment at the request of an official of the religious organization.

Subd. 3. [DEFINITION.] For purposes of subdivision 2, a "religious establishment" is a building used for worship services by a religious organization and clearly identified as such by a posted sign or other means.

Sec. 28. Minnesota Statutes 1992, section 609.3241, is amended to read:

609.3241 [PENALTY ASSESSMENT AUTHORIZED.]

~~In any county that has established a multidisciplinary child protection team pursuant to section 626.558,~~ When a court sentences an adult convicted of violating section 609.322, 609.323, or 609.324, while acting other than as a prostitute, the court shall impose an assessment of *not less than \$250 and not more than \$500* for a violation of section 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose an assessment of *not less than \$500 and not more than \$1,000*. The mandatory minimum portion of the assessment is to be used for the purposes described in section 626.558, subdivision 2a, and is in addition to the assessment or surcharge required by section 609.101. *Any portion of the assessment imposed in excess of the mandatory minimum amount shall be forwarded to the general fund and is appropriated annually to the commissioner of corrections. The commissioner, with the assistance of the general crime victims advisory council, shall use money received under this section for grants to agencies that provide assistance to individuals who have stopped or wish to stop engaging in prostitution. Grant money may be used to provide these individuals with medical care, child care, temporary housing, and educational expenses.*

Sec. 29. Minnesota Statutes 1992, section 609.325, subdivision 2, is amended to read:

Subd. 2. Consent or mistake as to age shall be no defense to prosecutions under section 609.322 ~~or~~, 609.323, or 609.324.

Sec. 30. Minnesota Statutes 1992, section 609.341, subdivision 4, is amended to read:

Subd. 4. (a) ~~“Consent” means a voluntary uncoerced manifestation of a present agreement to perform a particular sexual act with the actor words or overt actions by a person indicating a freely given present agreement to perform a particular sexual act with the actor. Consent does not mean the existence of a prior or current social relationship between the actor and the complainant or that the complainant failed to resist a particular sexual act.~~

(b) A person who is mentally incapacitated or physically helpless as defined by this section cannot consent to a sexual act.

(c) Corroboration of the victim's testimony is not required to show lack of consent.

Sec. 31. Minnesota Statutes 1992, section 609.341, subdivision 9, is amended to read:

Subd. 9. “Physically helpless” means that a person is (a) asleep or not conscious, (b) unable to withhold consent or to withdraw consent because of a physical condition; or (c) unable to communicate nonconsent and the condition is known or reasonably should have been known to the actor.

Sec. 32. Minnesota Statutes 1992, section 609.341, subdivision 11, is amended to read:

Subd. 11. (a) “Sexual contact,” for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to (k), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by coercion or the use of a position of authority, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or the use of a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts.

(b) “Sexual contact,” for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts; or

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

Sec. 33. Minnesota Statutes 1992, section 609.341, subdivision 12, is amended to read:

Subd. 12. "Sexual penetration" means any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, whether or not emission of semen occurs:

(1) sexual intercourse, cunnilingus, fellatio, or anal intercourse; or

(2) any intrusion however slight into the genital or anal openings:

(i) of the complainant's body or by any part of the actor's body or any object used by the actor for this purpose, ~~where the act is committed without the complainant's consent, except in those cases where consent is not a defense. Emission of semen is not necessary;~~

(ii) of the complainant's body by any part of the body of the complainant, by any part of the body of another person, or by any object used by the complainant or another person for this purpose, when effected by coercion or the use of a position of authority, or by inducement if the child is under 13 years of age or mentally impaired; or

(iii) of the body of the actor or another person by any part of the body of the complainant or by any object used by the complainant for this purpose, when effected by coercion or the use of a position of authority, or by inducement if the child is under 13 years of age or mentally impaired.

Sec. 34. Minnesota Statutes 1992, section 609.342, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person, or in sexual contact with a person under 13 as defined in section 609.341, subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Sec. 35. Minnesota Statutes 1993 Supplement, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

- (c) the actor uses force or coercion to accomplish the penetration;
- (d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;
- (e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause *or induce* the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;
- (f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;
- (g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

- (i) the actor or an accomplice used force or coercion to accomplish the penetration;

- (ii) the complainant suffered personal injury; or

- (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

- (h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

- (i) during the psychotherapy session; or

- (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

- (i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

- (j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

- (k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense; or

- (l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

- (i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private.

Consent by the complainant is not a defense.

Sec. 36. Minnesota Statutes 1993 Supplement, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. *Consent by the complainant to the act is not a defense.* In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause *or induce* the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

- (i) during the psychotherapy session; or
- (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense; or

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private.

Consent by the complainant is not a defense.

Sec. 37. Minnesota Statutes 1992, section 609.377, is amended to read:

609.377 [MALICIOUS PUNISHMENT OF A CHILD.]

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts with respect to a child, evidences unreasonable force or cruel discipline that is excessive under the circumstances is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the punishment results in substantial bodily harm, that person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. If the punishment results in great bodily harm, that person may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. *If the punishment is to a child under the age of four and causes bodily harm to the head, eyes, neck, or otherwise causes multiple bruises to the body, the person may be sentenced to imprisonment for not more than five years or a fine of \$10,000, or both.*

Sec. 38. Minnesota Statutes 1992, section 609.485, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held in lawful custody on a charge or conviction of a crime, or while held in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape; or

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause.

For purposes of clause (1), "escapes while held in lawful custody" includes absconding from electronic monitoring or absconding after removing an electronic monitoring device from the person's body.

Sec. 39. Minnesota Statutes 1992, section 609.485, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] (a) Except as otherwise provided in subdivision 3a, whoever violates this section may be sentenced as follows:

(1) if the person who escapes is in lawful custody on a charge or conviction of a felony, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both;

(2) if the person who escapes is in lawful custody after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a, to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both; or

(3) if such charge or conviction is for a gross misdemeanor or misdemeanor, or if the person who escapes is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

~~(4) If such charge or conviction is for a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.~~

~~(5) (b) If the escape was a violation of subdivision 2, clause (1), (2), or (3), and was effected by violence or threat of violence against a person, the sentence may be increased to not more than twice those permitted in paragraph (a), clauses (1), and (3), and (4).~~

~~(6) (c) Unless a concurrent term is specified by the court, a sentence under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when the person escaped.~~

~~(7) (d) Notwithstanding clause (6) paragraph (c), if a person who was committed to the commissioner of corrections under section 260.185 escapes from the custody of the commissioner while 18 years of age, the person's sentence under this section shall commence on the person's 19th birthday or on the person's date of discharge by the commissioner of corrections, whichever occurs first. However, if the person described in this clause is convicted under this section after becoming 19 years old and after having been~~

discharged by the commissioner, the person's sentence shall commence upon imposition by the sentencing court.

(8) (e) Notwithstanding ~~clause (6)~~ paragraph (c), if a person who is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age escapes from a local juvenile correctional facility, the person's sentence under this section begins on the person's 19th birthday or on the person's date of discharge from the jurisdiction of the juvenile court, whichever occurs first. However, if the person described in this ~~clause~~ paragraph is convicted after becoming 19 years old and after discharge from the jurisdiction of the juvenile court, the person's sentence begins upon imposition by the sentencing court.

Sec. 40. Minnesota Statutes 1992, section 609.506, is amended by adding a subdivision to read:

Subd. 3. [GROSS MISDEMEANOR.] Whoever in any criminal proceeding with intent to obstruct justice gives a fictitious name, other than a nickname, or gives a false date of birth to a court official is guilty of a misdemeanor. Whoever in any criminal proceeding with intent to obstruct justice gives the name and date of birth of another person to a court official is guilty of a gross misdemeanor. "Court official" includes a judge, referee, court administrator, or any employee of the court.

Sec. 41. Minnesota Statutes 1992, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.18, subdivision 3; 609.24; 609.245; 609.53; 609.582; subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than \$500, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning, *abandoned, or vacant building* or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property stolen is a motor vehicle; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or

(5) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 42. Minnesota Statutes 1992, section 609.561, is amended by adding a subdivision to read:

Subd. 3. Whoever unlawfully by means of fire or explosives, intentionally destroys or damages any building not included in subdivision 1, whether the property of the actor or another, commits arson in the first degree if a combustible or flammable liquid is used to start or accelerate the fire may be sentenced to imprisonment for not more than 20 years or a fine of not more than \$20,000, or both.

As used in this subdivision, "flammable liquid" means any liquid having a flash point below 100 degrees Fahrenheit and having a vapor pressure not exceeding 40 pounds per square inch (absolute) at 100 degrees Fahrenheit, but does not include intoxicating liquor as defined in section 340A.101. As used in this subdivision, "combustible liquid" means a liquid having a flash point at or above 100 degrees Fahrenheit.

Sec. 43. Minnesota Statutes 1992, section 609.611, is amended to read:

609.611 [DEFRAUDING INSURER.]

Subdivision 1. [DEFRAUD; DAMAGES OR CONCEALS PROPERTY.] Whoever with intent to injure or defraud an insurer, damages, removes, or conceals any property real or personal, whether the actor's own or that of

another, which is at the time insured by any person, firm, or corporation against loss or damage;

(a) May be sentenced to imprisonment for not more than three years or to payment of fine of not more than \$5,000, or both if the value insured for is less than \$20,000; or

(b) May be sentenced to imprisonment for not more than five years or to payment of fine of not more than \$10,000, or both if the value insured for is \$20,000 or greater;

(c) Proof that the actor recovered or attempted to recover on a policy of insurance by reason of the ~~fire~~ *alleged loss* is relevant but not essential to establish the actor's intent to defraud the insurer.

Subd. 2. [DEFRAUD; FALSE LOSS CLAIM.] Whoever intentionally makes a claim to an insurance company that personal property was lost, stolen, damaged, destroyed, misplaced, or disappeared, knowing the claim to be false may be sentenced as provided in section 609.52, subdivision 3. The applicable statute of limitations provision under section 628.26 shall not begin to run until the insurance company or law enforcement agency is aware of the fraud, but in no event may the prosecution be commenced later than seven years after the claim was made.

Sec. 44. Minnesota Statutes 1993 Supplement, section 609.685, subdivision 3, is amended to read:

Subd. 3. [PETTY MISDEMEANOR.] Whoever possesses, smokes, chews, or otherwise ingests, purchases, or attempts to purchase tobacco or tobacco related devices and is under the age of 18 years is guilty of a petty misdemeanor. This subdivision does not apply to a person under the age of 18 years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a responsible adult for training, education, research, or enforcement purposes.

Sec. 45. Minnesota Statutes 1993 Supplement, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly, vehicle or facility of public transportation or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than five years. As used in this subdivision, "crime of violence" has the meaning given "violent crime" in section 609.152, subdivision 1, paragraph (d).

Sec. 46. Minnesota Statutes 1992, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, including on a school bus, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

(1) Engages in brawling or fighting; or

(2) Disturbs an assembly or meeting, not unlawful in its character; or

(3) Engages in offensive, obscene, abusive, boisterous, or noisy conduct or in offensive, obscene, or abusive language tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure.

Sec. 47. Minnesota Statutes 1992, section 609.746, subdivision 1, is amended to read:

Subdivision 1. [SURREPTITIOUS INTRUSION; *OBSERVATION DEVICE*.] (a) A person is guilty of a misdemeanor who:

(1) enters upon another's property ~~and~~;

(2) surreptitiously gazes, stares, or peeps in the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household is ~~guilty of a misdemeanor~~.

(b) A person is guilty of a misdemeanor who:

(1) enters upon another's property;

(2) surreptitiously installs or uses any device for observing, photographing, recording, amplifying, or broadcasting sounds or events through the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household.

(c) A person is guilty of a gross misdemeanor if the person violates this subdivision after a previous conviction under this subdivision or section 609.749.

(d) Paragraph (b) does not apply to law enforcement officers or corrections investigators, or to those acting under their direction, while engaged in the performance of their lawful duties.

Sec. 48. Minnesota Statutes 1993 Supplement, section 609.748, subdivision 5, is amended to read:

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. Relief granted by the restraining order must be for a fixed period of not more than

two years. *When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.*

(b) An order issued under this subdivision must be personally served upon the respondent.

Sec. 49. Minnesota Statutes 1992, section 609.855, is amended to read:

609.855 [CRIMES AGAINST INVOLVING TRANSIT PROVIDERS AND OPERATORS; SHOOTING AT TRANSIT VEHICLE.]

Subdivision 1. [UNLAWFULLY OBTAINING SERVICES; MISDEMEANOR.] ~~Whoever~~ A person is guilty of a misdemeanor who intentionally obtains or attempts to obtain service from a provider of ~~regular route public transit as defined in section 174.22, subdivision 8,~~ service or from a public conveyance, without ~~making~~ paying the required fare deposit or otherwise obtaining the consent of the transit operator or other an authorized transit representative is guilty of unlawfully obtaining services and may be sentenced as provided in subdivision 4.

Subd. 2. [UNLAWFUL INTERFERENCE WITH TRANSIT OPERATOR.] (a) Whoever intentionally commits an act that ~~unreasonably~~ interferes with or obstructs, or tends to interfere with or obstruct, the operation of a transit vehicle is guilty of unlawful interference with a transit operator and may be sentenced as provided in ~~subdivision 4~~ paragraph (c).

(b) An act that is committed on a transit vehicle that distracts the driver from the safe operation of the vehicle or that endangers passengers is a violation of this subdivision if an authorized transit representative has clearly warned the person once to stop the act.

(c) A person who violates this subdivision may be sentenced as follows:

(1) to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both, if the violation was accompanied by force or violence or a communication of a threat of force or violence; or

(2) to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the violation was not accompanied by force or violence or a communication of a threat of force or violence.

Subd. 3. [PROHIBITED ACTIVITIES; MISDEMEANOR.] (a) ~~Whoever~~ A person is guilty of a misdemeanor who, while riding in a vehicle providing ~~regular route public transit service:~~

(1) operates a radio, television, tape player, electronic musical instrument, or other electronic device, other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;

(2) smokes or carries lighted smoking paraphernalia;

(3) consumes food or beverages, except when authorized by the operator or other official of the transit system;

(4) throws or deposits litter; or

(5) carries or is in control of an animal without the operator's consent; or

(6) acts in any other manner which disturbs the peace and quiet of another person;

is guilty of disruptive behavior and may be sentenced as provided in subdivision 4.

(b) A person is guilty of a violation of this subdivision only if the person continues to act in violation of this subdivision after being warned once by an authorized transit representative to stop the conduct.

Subd. 4. [PENALTY.] Whoever violates subdivision 1, 2, or 3 may be sentenced as follows:

(a) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the violation was accompanied by force or violence or a communication of a threat of force or violence; or

(b) to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the violation was not accompanied by force or violence or a communication of a threat of force or violence.

Subd. 5. [SHOOTING AT PUBLIC TRANSIT VEHICLE OR FACILITY.] Whoever recklessly discharges a firearm at any portion of a public transit vehicle or facility is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both. If the transit vehicle or facility is occupied, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 6. [RESTRAINING ORDERS.] (a) At the sentencing on a violation of this section, the district court shall consider the extent to which the person's conduct has negatively disrupted the delivery of transit services or has affected the utilization of public transit services by others. The district court may, in its discretion, include as part of any sentence for a violation of this section, an order restraining the person from using public transit vehicles and facilities for a fixed period, not to exceed two years or any term of probation, whichever is longer.

(b) The district court administrator shall forward copies of any orders, and any subsequent orders of the court rescinding or modifying the original order, promptly to the operator of the transit system on which the offense took place.

(c) A person who violates an order issued under this subdivision is guilty of a gross misdemeanor.

Sec. 50. Minnesota Statutes 1992, section 609.87, is amended by adding a subdivision to read:

Subd. 2a. [AUTHORIZATION.] "Authorization" means with the permission of the owner of the computer, computer system, computer network, computer software, or other property. Authorization may be limited by the owner by: (1) giving the user actual notice orally or in writing; (2) posting a written notice in a prominent location adjacent to the computer being used; or (3) using a notice displayed on or announced by the computer being used.

Sec. 51. Minnesota Statutes 1992, section 609.88, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer damage and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6;

(b) Intentionally and without authorization ~~and~~ or with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; or

(c) Distributes a destructive computer program, without authorization and with intent to damage or destroy any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6.

Sec. 52. Minnesota Statutes 1992, section 609.89, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer theft and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization or claim of right accesses or causes to be accessed any computer, computer system, computer network or any part thereof for the purpose of obtaining services or property; or

(b) Intentionally and without claim of right, and with intent to ~~permanently~~ deprive the owner of use or possession, takes, transfers, conceals or retains possession of any computer, computer system, or any computer software or data contained in a computer, computer system, or computer network.

Sec. 53. [609.891] [REPORTING VIOLATIONS.]

A person who has reason to believe that any provision of section 609.88, 609.89, or 609.891 is being or has been violated shall report the suspected violation to the prosecuting authority in the county in which all or part of the suspected violation occurred. A person who makes a report under this section is immune from any criminal or civil liability that otherwise might result from the person's action, if the person is acting in good faith.

Sec. 54. Minnesota Statutes 1992, section 617.23, is amended to read:

617.23 [INDECENT EXPOSURE; PENALTIES.]

Every person who shall willfully and lewdly expose the person's body, or the private parts thereof, in any public place, or in any place where others are present, or shall procure another to expose private parts, and every person who shall be guilty of any open or gross lewdness or lascivious behavior, or any public indecency other than hereinbefore specified, shall be guilty of a misdemeanor, and punished by a fine of not less than \$5; or by imprisonment in a county jail for not less than ten days.

~~Every person committing the offense heretofore set forth, after having once been convicted of such an offense in this state, shall be guilty of a gross misdemeanor.~~

A person is guilty of a gross misdemeanor if the person violates this section after having been previously convicted of violating this section, sections 609.342 to 609.3451, or a statute from another state in conformity with any of those sections.

Sec. 55. Minnesota Statutes 1992, section 624.731, subdivision 4, is amended to read:

Subd. 4. [PROHIBITED USE.] (a) No person shall knowingly, or with reason to know, use tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device on or against a peace officer who is in the performance of duties.

(b) No person shall use tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device except as authorized in subdivision 2 or 6.

(c) Tear gas, a tear gas compound, or an electronic incapacitation device shall legally constitute a weapon when it is used in the commission of a crime.

(d) No person shall use tear gas or a tear gas compound in an immobilizing concentration against another person, except as otherwise permitted by subdivision 2.

Sec. 56. Minnesota Statutes 1992, section 624.731, subdivision 8, is amended to read:

Subd. 8. [PENALTIES.] (a) The following violations of this section shall be considered a felony:

(1) The possession or use of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device by a person specified in subdivision 3, ~~clause~~ paragraph (b).

(2) Knowingly selling or furnishing of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device to a person specified in subdivision 3, ~~clause~~ paragraph (b).

(3) The use of an electronic incapacitation device as prohibited in subdivision 4, ~~clause~~ paragraph (a).

(4) The use of tear gas or a tear gas compound as prohibited in subdivision 4, paragraph (d).

(b) The following violation of this section shall be considered a gross misdemeanor ~~and shall be punished by not less than 90 days in jail~~: The prohibited use of tear gas, a tear gas compound, or an authorized tear gas compound as specified in subdivision 4, ~~clause~~ paragraph (a).

(c) The following violations of this section shall be considered a misdemeanor:

(1) The possession or use of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device which fails to meet the requirements of subdivision 2 by any person except as allowed by subdivision 6.

(2) The possession or use of an authorized tear gas compound or an electronic incapacitation device by a person specified in subdivision 3, ~~clause~~ paragraph (a) or (c).

(3) The use of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device except as allowed by subdivision 2 or 6.

(4) Knowingly selling or furnishing an authorized tear gas compound or an electronic incapacitation device to a person specified in subdivision 3, ~~clause~~ *paragraph* (a) or (c).

(5) Selling or furnishing of tear gas or a tear gas compound other than an authorized tear gas compound to any person except as allowed by subdivision 6.

(6) Selling or furnishing of an authorized tear gas compound or an electronic incapacitation device on premises where intoxicating liquor is sold on an on-sale or off-sale basis or where 3.2 percent malt liquor is sold on an on-sale basis.

(7) Selling an authorized tear gas compound or an electronic incapacitation device in violation of local licensing requirements.

Sec. 57. Minnesota Statutes 1993 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, *by a person who has a significant relationship to the child, as defined in section 609.341*, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so, failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so, or failure to take steps to ensure that a child is educated in accordance with state law. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that ~~there is a duty~~ *a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty* to report if a lack of medical care may cause ~~imminent~~ *serious* danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care. Neglect includes prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for

a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance. Neglect also means "medical neglect" as defined in section 260.015, subdivision 2a, clause (5).

(d) "Physical abuse" means any physical or mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

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

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem services.

(k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(l) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

Sec. 58. Minnesota Statutes 1992, section 626.556, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO REPORT.] A person mandated by this section to report who knows or has reason to believe that a child is neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, and fails to report is guilty of a misdemeanor. *A parent, guardian, or caretaker who knows or reasonably should know that the child's health is in serious danger and who fails to report as required by subdivision 2, paragraph (c), is guilty of a gross misdemeanor if the child suffers substantial or great bodily harm because of the lack of medical care. If the child dies because of the lack of medical care, the person is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both. The provision in section 609.378, subdivision 1, paragraph (a), clause (1), providing that a parent, guardian, or caretaker may, in good faith, select and depend on spiritual means or prayer for*

treatment or care of a child, does not exempt a parent, guardian, or caretaker from the duty to report under this subdivision.

Sec. 59. Minnesota Statutes 1992, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

- (1) physical abuse as defined in subdivision 2, paragraph (d);
- (2) neglect as defined in subdivision 2, paragraph (c);
- (3) sexual abuse as defined in subdivision 2, paragraph (a); or
- (4) mental injury as defined in subdivision 2, paragraph (k).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in ~~imminent~~ and serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

Sec. 60. Minnesota Statutes 1992, section 626.557, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed to serve adults pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed to serve adults pursuant to sections 245A.01 to 245A.16; or a home care provider licensed under section 144A.46.

(b) "Vulnerable adult" means any person 18 years of age or older:

(1) who is a resident or inpatient of a facility;

(2) who receives services at or from a facility required to be licensed to serve adults pursuant to sections 245A.01 to 245A.16, except a person receiving outpatient services for treatment of chemical dependency or mental illness;

(3) who receives services from a home care provider licensed under section 144A.46; or

(4) who, regardless of residence or type of service received, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

"Vulnerable adult" does not include a person who is committed as a psychopathic personality under section 526.10.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

(d) "Abuse" means:

(1) any act which constitutes a violation under sections 609.221 to 609.223, 609.23 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345;

(2) nontherapeutic conduct which produces or could reasonably be expected to produce pain or injury and is not accidental, or any repeated conduct which produces or could reasonably be expected to produce mental or emotional distress;

(3) any sexual contact between a facility staff person and a resident or client of that facility;

(4) the illegal use of a vulnerable adult's person or property for another person's profit or advantage, or the breach of a fiduciary relationship through the use of a person or a person's property for any purpose not in the proper and lawful execution of a trust, including but not limited to situations where a person obtains money, property, or services from a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud; or

(5) any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Neglect" means:

(1) failure by a caretaker to supply a vulnerable adult with necessary food, clothing, shelter, health care or supervision;

(2) the absence or likelihood of absence of necessary food, clothing, shelter, health care, or supervision for a vulnerable adult; or

(3) the absence or likelihood of absence of necessary financial management to protect a vulnerable adult against abuse as defined in paragraph (d), clause

(4). Nothing in this section shall be construed to require a health care facility to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

(f) "Report" means any report received by a local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

(1) the commissioner of health, for facilities as defined in clause (a) which are required to be licensed or certified by the department of health;

(2) the commissioner of human services, for facilities required by sections 245A.01 to 245A.16 to be licensed;

(3) any licensing board which regulates persons pursuant to section 214.01, subdivision 2; and

(4) any agency responsible for credentialing human services occupations.

(h) "Substantiated" means a preponderance of the evidence shows that an act that meets the definition of abuse or neglect occurred.

(i) "False" means a preponderance of the evidence shows that an act that meets the definition of abuse or neglect did not occur.

(j) "Inconclusive" means there is less than a preponderance of evidence to show that abuse or neglect did or did not occur.

Sec. 61. Minnesota Statutes 1992, section 626.557, subdivision 10a, is amended to read:

Subd. 10a. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under section 144A.02 or sections 245A.01 to 245A.16, the local welfare agency investigating the report shall notify the guardian or conservator of the person of a vulnerable adult under guardianship or conservatorship of the person who is alleged to have been abused or neglected. The local welfare agency shall notify the person, if any, designated to be notified in case of an emergency by a vulnerable adult not under guardianship or conservatorship of the person who is alleged to have been abused or neglected, unless consent is denied by the vulnerable adult. The notice shall contain the following information: the name of the facility; the fact that a report of alleged abuse or neglect of a vulnerable adult in the facility has been received; the nature of the alleged abuse or neglect; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) In a case of alleged neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245A.01 to 245A.16, the local welfare agency may also provide the information in paragraph (a) to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred.

(c) When the investigation required under subdivision 10 is completed, the local welfare agency shall provide a written memorandum containing the following information to every guardian or conservator of the person or other person notified by the agency of the investigation under paragraph (a) or (b): the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigative findings; a statement of whether the report was found to be substantiated,

inconclusive, or false *as to abuse or neglect*; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the alleged victim and shall not contain the name or, to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation.

(d) In a case of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245A.01 to 245A.16, the local welfare agency may also provide the written memorandum to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the report is substantiated or if the investigation is inconclusive and the report is a second or subsequent report of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of the facility.

(e) In determining whether to exercise the discretionary authority granted under paragraphs (b) and (d), the local welfare agency shall consider the seriousness and extent of the alleged neglect, physical abuse, or sexual abuse and the impact of notification on the residents of the facility. The facility shall be notified whenever this discretion is exercised.

(f) Where federal law specifically prohibits the disclosure of patient identifying information, the local welfare agency shall not provide any notice under paragraph (a) or (b) or any memorandum under paragraph (c) or (d) unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 62. Minnesota Statutes 1992, section 626.557, subdivision 12, is amended to read:

Subd. 12. [RECORDS.] (a) Each licensing agency shall maintain summary records of reports of alleged abuse or neglect and alleged violations of the requirements of this section with respect to facilities or persons licensed or credentialed by that agency. As part of these records, the agency shall prepare an investigation memorandum. Notwithstanding section 13.46, subdivision 3, the investigation memorandum shall be accessible to the public pursuant to section 13.03 and a copy shall be provided to any public agency which referred the matter to the licensing agency for investigation. It shall contain a complete review of the agency's investigation, including but not limited to: the name of any facility investigated; a statement of the nature of the alleged abuse or neglect or other violation of the requirements of this section; pertinent information obtained from medical or other records reviewed; the investigator's name; a summary of the investigation's findings; a statement of whether the report was found to be substantiated, inconclusive, or false *as to abuse or neglect*; and a statement of any action taken by the agency. The investigation memorandum shall be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the name or, to the extent possible, the identity of the alleged perpetrator or of those interviewed during the investigation. During the licensing agency's investigation, all data collected pursuant to this section shall be classified as investigative data pursuant to section 13.39. After the licensing agency's

investigation is complete, the data on individuals collected and maintained shall be private data on individuals. All data collected pursuant to this section shall be made available to prosecuting authorities and law enforcement officials, local welfare agencies, and licensing agencies investigating the alleged abuse or neglect. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

(b) Notwithstanding the provisions of section 138.163:

(1) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be false may be destroyed two years after the finding was made;

(2) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be inconclusive may be destroyed four years after the finding was made;

(3) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be substantiated may be destroyed seven years after the finding was made.

Sec. 63. Minnesota Statutes 1992, section 626A.05, subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire, electronic, or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of, or of an attempt or conspiracy to commit, any of the following offenses:

(1) a felony offense involving murder, manslaughter, assault in the first, second, and third degrees, aggravated robbery, kidnapping, criminal sexual conduct in the first, second, and third degrees, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary in the first, second, and third degrees, forgery, aggravated forgery, check forgery, or financial transaction card fraud, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.221, 609.222, 609.223, 609.2231, 609.245, 609.25, 609.321 to 609.324, 609.342, 609.343, 609.344, 609.42, 609.48, 609.485, subdivision 4, *paragraph (a)*, clause (1), 609.52, 609.53, 609.54, 609.582, 609.625, 609.63, 609.631, 609.821, and 609.825;

(2) an offense relating to gambling or controlled substances, as punishable under section 609.76 or chapter 152; or

(3) an offense relating to restraint of trade defined in section 325D.53, subdivision 1 or 2, as punishable under section 325D.56, subdivision 2.

Sec. 64. Minnesota Statutes 1993 Supplement, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense or, if the victim failed to report the offense within this limitation period, within three years after the offense was reported to law enforcement authorities.

(d) Indictments or complaints for violation of sections 609.342 to 609.344 if the victim was 18 years old or older at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3)(c) shall be found or made and filed in the proper court within six years after the commission of the offense.

(f) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (a) and (b), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(g) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(h) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

(i) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

(j) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

(k) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

Sec. 65. Minnesota Statutes 1992, section 629.471, is amended to read:

629.471 [MAXIMUM BAIL ON MISDEMEANORS; GROSS MISDEMEANORS.]

Subdivision 1. [DOUBLE THE FINE.] Except as provided in subdivision 2 or 3, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor offense is double the highest cash fine that may be imposed for that offense.

Subd. 2. [QUADRUPLE THE FINE.] For offenses under sections 169.09, 169.121, 169.129, ~~548B.01~~, 609.2231, subdivision 2, ~~609.224~~, 609.487, and 609.525, the maximum cash bail that may be required for a person charged

with a misdemeanor or gross misdemeanor violation is quadruple the highest cash fine that may be imposed for the offense.

Subd. 3. [SIX TIMES THE FINE.] For offenses under sections 518B.01 and 609.224, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is six times the highest cash fine that may be imposed for the offense.

Sec. 66. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall consider ranking conduct constituting sexual contact with a child under the age of 13, as defined in section 32, in severity level VII of the sentencing guidelines grid.

Sec. 67. [SENTENCING GUIDELINES COMMISSION STUDY.]

The sentencing guidelines commission shall evaluate whether the current sentencing guidelines and related statutes are effective in furthering the goals of protecting the public safety and coordinating correctional resources with sentencing policy. Based on this evaluation, the commission shall develop and recommend options for modifying the sentencing guidelines so as to ensure that state correctional resources are reserved for violent offenders. These options may include, but need not be limited to, changes to severity level rankings, criminal history score computations, sentence durations, the grid, and other sentencing guidelines policies.

The commission shall report to the legislature by January 1, 1995, concerning any modifications it proposes to adopt as a result of its study. The commission's report shall explain the rationale behind each proposed modification.

Sec. 68. [REPORT TO THE LEGISLATURE.]

By December 31, 1994, the attorney general, in cooperation with the commissioners of health and human services, shall provide the legislature with a detailed plan with specific law, rule, or administrative procedure changes to implement the recommendations of the advisory committee established under Laws 1993, chapter 338, section 11. The attorney general shall work with that advisory committee, law enforcement agencies, and representatives of labor organizations and professional associations representing employees affected by the vulnerable adults act to develop comprehensive recommendations addressing issues in the operation of Minnesota Statutes, section 626.557, particularly the issues which the advisory committee identified in its February 1994 report to the governor and legislature.

Sec. 69. [REPEALER.]

Minnesota Statutes 1992, sections 152.01, subdivision 17; 609.0332, subdivision 2; and 609.855, subdivision 4, are repealed.

Sec. 70. [EFFECTIVE DATE.]

Sections 66 to 68 are effective the day following final enactment. Sections 2, 8, 9 to 11, 48, and 60 to 62, are effective July 1, 1994. Sections 1, 3 to 7, 12 to 17, 19 to 21, 23 to 47, 49 to 59, 63 to 65, and 69, are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 18 and 22 are effective August 1, 1995, and apply to crimes committed on or after that date.

ARTICLE 3

FIREARM PROVISIONS

Section 1. Minnesota Statutes 1992, section 244.09, is amended by adding a subdivision to read:

Subd. 14. [REPORT ON MANDATORY MINIMUM SENTENCES.] The sentencing guidelines commission shall include in its annual report to the legislature a summary and analysis of reports received from county attorneys under section 609.11, subdivision 10.

Sec. 2. [245.041] [PROVISION OF FIREARMS BACKGROUND CHECK INFORMATION.]

Notwithstanding section 253B.23, subdivision 9, the commissioner of human services shall provide commitment information to local law enforcement agencies for the sole purpose of facilitating a firearms background check under section 624.7131, 624.7132, or 624.714. The information to be provided is limited to whether the person has been committed under chapter 253B and, if so, the type of commitment.

Sec. 3. [253B.091] [REPORTING JUDICIAL COMMITMENTS INVOLVING PRIVATE TREATMENT PROGRAMS OR FACILITIES.]

Notwithstanding section 253B.23, subdivision 9, when a committing court judicially commits a proposed patient to a treatment program or facility other than a state-operated program or facility, the court shall report the commitment to the commissioner of human services for purposes of providing commitment information for firearm background checks under section 245.041.

Sec. 4. Minnesota Statutes 1992, section 487.25, is amended by adding a subdivision to read:

Subd. 12. [ASSISTANCE OF ATTORNEY GENERAL.] An attorney for a statutory or home rule charter city in the metropolitan area, as defined in section 473.121, subdivision 2, may request, and the attorney general may provide, assistance in prosecuting nonfelony violations of section 609.66, subdivision 1; 609.666; 624.713, subdivision 2; 624.7131, subdivision 11; 624.7132, subdivision 15; 624.714, subdivision 1 or 10; 624.7162, subdivision 3; or 624.7181, subdivision 2.

Sec. 5. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 4, is amended to read:

Subd. 4. [DANGEROUS WEAPON.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a dangerous weapon other than a firearm, ~~or had in possession a firearm~~, shall be committed to the commissioner of corrections for not less than one year plus one day, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a dangerous weapon other than a firearm, ~~or had in possession a firearm~~, shall be committed to the commissioner of corrections for not less than three years nor more than the maximum sentence provided by law.

Sec. 6. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 5, is amended to read:

Subd. 5. [FIREARM.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, *had in possession or* used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm, shall be committed to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, *had in possession or* used a firearm shall be committed to the commissioner of corrections for not less than five years, nor more than the maximum sentence provided by law.

Sec. 7. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 8, is amended to read:

Subd. 8. [MOTION BY PROSECUTOR.] (a) *Except as otherwise provided in paragraph (b), prior to the time of sentencing, the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentences established by this section. The motion shall be accompanied by a statement on the record of the reasons for it. When presented with the motion and if it finds substantial mitigating factors exist, or on its own motion, the court shall may sentence the defendant without regard to the mandatory minimum sentences established by this section if the court finds substantial and compelling reasons to do so. A sentence imposed under this subdivision is a departure from the sentencing guidelines.*

(b) *The court may not, on its own motion or the prosecutor's motion, sentence a defendant without regard to the mandatory minimum sentences established by this section if the defendant previously has been convicted of an offense listed in subdivision 9 in which the defendant used or possessed a firearm or other dangerous weapon.*

Sec. 8. Minnesota Statutes 1993 Supplement, section 609.11, is amended by adding a subdivision to read:

Subd. 10. [REPORT ON CRIMINAL CASES INVOLVING A FIREARM.] *Beginning on July 1, 1994, every county attorney shall collect and maintain the following information on criminal complaints and prosecutions within the county attorney's office in which the defendant is alleged to have committed an offense listed in subdivision 9 while possessing or using a firearm:*

- (1) *whether the case was charged or dismissed;*
- (2) *whether the defendant was convicted of the offense or a lesser offense; and*
- (3) *whether the mandatory minimum sentence required under this section was imposed and executed or was waived by the prosecutor or court.*

No later than July 1 of each year, beginning on July 1, 1995, the county attorney shall forward this information to the sentencing guidelines commission upon forms prescribed by the commission.

Sec. 9. Minnesota Statutes 1992, section 609.165, is amended by adding a subdivision to read:

Subd. 1b. [VIOLATION AND PENALTY.] (a) Any person who ships, transports, possesses, or receives a firearm in violation of subdivision 1a, commits a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both.

(b) Nothing in this section shall be construed to bar a conviction and sentencing for a violation of section 624.713, subdivision 1, clause (b).

Sec. 10. Minnesota Statutes 1992, section 609.224, subdivision 3, is amended to read:

Subd. 3. [DOMESTIC ASSAULTS; FIREARMS.] (a) When a person is convicted of a violation of this section or section 609.221, 609.222, or 609.223, the court shall determine and make written findings on the record as to whether:

(1) the assault was committed against a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault, it shall order the defendant to relinquish possession of that the firearm and give it to the local law enforcement agency. Notwithstanding section 609.531, subdivision 1, paragraph (f), clause (1), the court shall determine whether the firearm shall be summarily forfeited under section 609.5316, subdivision 3, or retained by the local law enforcement agency for a period of three years. If the owner has not been convicted of any crime of violence as defined in section 624.712, subdivision 5, or 609.224 against a family or household member within that period, the law enforcement agency shall return the firearm.

(c) When a person is convicted of assaulting a family or household member and is determined by the court to have used a firearm in any way during commission of the assault the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this firearm possession prohibition is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant whether and for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(d) Except as otherwise provided in paragraph (c), when a person is convicted of a violation of this section and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

~~(d)~~ (e) Except as otherwise provided in paragraph (c), a person is not entitled to possess a pistol if:

(1) the person has been convicted after August 1, 1992, of assault in the fifth degree if the offense was committed within three years of a previous conviction under sections 609.221 to 609.224; or

(2) the person has been convicted after August 1, 1992, of assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a pistol in violation of this ~~subdivision~~ paragraph is guilty of a gross misdemeanor.

Sec. 11. Minnesota Statutes 1993 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a ~~weapon used in the furtherance of a crime and defined as a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.~~

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, *chapter 152, or chapter 624*;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 12. Minnesota Statutes 1993 Supplement, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313, 609.5314, or 609.5318 that the property is subject to forfeiture, it shall order the appropriate agency to:

(1) *destroy all weapons used, firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under clause (6), unless the agency determines that there is good reason not to destroy a particular item;*

(2) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

~~(2)~~ (3) take custody of the property and remove it for disposition in accordance with law;

~~(3)~~ (4) forward the property to the federal drug enforcement administration;

(4) (5) disburse money as provided under subdivision 5; or

~~(5)~~ (6) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 13. Minnesota Statutes 1993 Supplement, section 609.5315, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ADMINISTRATIVELY FORFEITED PROPERTY.] If property is forfeited administratively under section 609.5314 or 609.5318 and no demand for judicial determination is made, the appropriate agency may dispose of the property in any of the ways listed in subdivision 1, *except that the agency must destroy all forfeited weapons used, firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under subdivision 1, clause (6).*

Sec. 14. Minnesota Statutes 1992, section 609.5315, subdivision 6, is amended to read:

Subd. 6. [REPORTING REQUIREMENT.] The appropriate agency shall provide a written record of each forfeiture incident to the state auditor. The record shall include the amount forfeited, date, and a brief description of the circumstances involved. *The record shall also list the number of firearms forfeited and the make, model, and serial number of each firearm forfeited.* Reports shall be made on a monthly basis in a manner prescribed by the state auditor. The state auditor shall report annually to the legislature on the nature and extent of forfeitures.

Sec. 15. Minnesota Statutes 1992, section 609.5315, is amended by adding a subdivision to read:

Subd. 7. [FIREARMS.] *The agency shall make best efforts for a period of 90 days after the seizure of an abandoned or stolen firearm to protect the firearm from harm and return it to the lawful owner.*

Sec. 16. Minnesota Statutes 1992, section 609.5316, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND:] *Except as otherwise provided in this subdivision, if the property is contraband, the property must be summarily forfeited and either destroyed or used by the appropriate agency for law enforcement purposes. Upon summary forfeiture, weapons used must be destroyed by the appropriate agency unless the agency decides to use the weapons for law enforcement purposes.*

Sec. 17. Minnesota Statutes 1992, section 609.5316, subdivision 3, is amended to read:

Subd. 3. [WEAPONS AND BULLET-RESISTANT VESTS.] Weapons used are contraband and must be summarily forfeited to the appropriate agency upon conviction of the weapon's owner or possessor for a controlled substance crime or for any offense of this chapter or chapter 624. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the commission or attempted commission of a crime are contraband and must be summarily forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled substance crime or for any offense of this chapter. Notwithstanding this subdivision, weapons used and bullet-resistant vests worn or possessed may be forfeited without a conviction under sections 609.531 to 609.5315.

Sec. 18. Minnesota Statutes 1992, section 609.66, subdivision 1b, is amended to read:

Subd. 1b. [FELONY; FURNISHING TO MINORS.] Whoever, in any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive without the prior consent of the minor's parent or guardian or of the police department of the municipality is guilty of a felony and may be sentenced to imprisonment for not more than ~~five~~ ten years or to payment of a fine of not more than ~~\$10,000~~ \$20,000, or both. Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under this subdivision.

Sec. 19. Minnesota Statutes 1992, section 609.66, subdivision 1c, is amended to read:

Subd. 1c. [FELONY; FURNISHING A DANGEROUS WEAPON.] Whoever recklessly furnishes a person with a dangerous weapon in conscious disregard of a known substantial risk that the object will be possessed or used in furtherance of a felony crime of violence is guilty of a felony and may be sentenced to imprisonment for not more than ~~five~~ ten years or to payment of a fine of not more than ~~\$10,000~~ \$20,000, or both.

Sec. 20. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1f. [GROSS MISDEMEANOR; TRANSFERRING A FIREARM WITHOUT BACKGROUND CHECK.] *A person, other than a federally licensed firearms dealer, who transfers a pistol or semiautomatic military-style assault weapon to another without complying with the transfer requirements of section 624.7132, is guilty of a gross misdemeanor if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence, and if:*

(1) the transferee was prohibited from possessing the weapon under section 624.713 at the time of the transfer; or

(2) it was reasonably foreseeable at the time of the transfer that the transferee was likely to use or possess the weapon in furtherance of a felony crime of violence.

Sec. 21. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1g. [FELONY; POSSESSION IN COURTHOUSE OR CERTAIN STATE BUILDINGS.] (a) A person who commits either of the following acts is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

(1) possesses a dangerous weapon, ammunition, or explosives within any courthouse complex; or

(2) possesses a dangerous weapon, ammunition, or explosives in any state building within the capitol area described in section 15.50, other than the National Guard Armory.

(b) Unless a person is otherwise prohibited or restricted by other law to possess a dangerous weapon, this subdivision does not apply to:

(1) licensed peace officers or military personnel who are performing official duties;

(2) persons who carry pistols according to the terms of a permit issued under section 624.714 and who so notify the sheriff or the commissioner of public safety, as appropriate;

(3) persons who possess dangerous weapons for the purpose of display as demonstrative evidence during testimony at a trial or hearing or exhibition in compliance with advance notice and safety guidelines set by the sheriff or the commissioner of public safety; or

(4) persons who possess dangerous weapons in a courthouse complex with the express consent of the county sheriff or who possess dangerous weapons in a state building with the express consent of the commissioner of public safety.

Sec. 22. [609.667] [FIREARMS; REMOVAL OR ALTERATION OF SERIAL NUMBER.]

Whoever commits any of the following acts may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

(1) obliterates, removes, changes, or alters the serial number or other identification of a firearm;

(2) receives or possesses a firearm, the serial number or other identification of which has been obliterated, removed, changed, or altered; or

(3) receives or possesses a firearm that is not identified by a serial number.

As used in this section, "serial number or other identification" means the serial number and other information required under United States Code, title 26, section 5842, for the identification of firearms.

Sec. 23. Minnesota Statutes 1992, section 609.713, subdivision 3, is amended to read:

Subd. 3. (a) Whoever displays, exhibits, brandishes, or otherwise employs a replica firearm or a BB gun in a threatening manner, may be sentenced to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both, if, in doing so, the person either:

- (1) causes or attempts to cause terror in another person; or
 - (2) acts in reckless disregard of the risk of causing terror in another person.
- (b) For purposes of this subdivision:

(1) "BB gun" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter; and

(2) "replica firearm" means a device or object that is not defined as a dangerous weapon, and that is a facsimile or toy version of, and reasonably appears to be a pistol, revolver, shotgun, sawed-off shotgun, rifle, machine gun, rocket launcher, or any other firearm. The term replica firearm includes, but is not limited to, devices or objects that are designed to fire only blanks.

Sec. 24. Minnesota Statutes 1993 Supplement, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, assaults motivated by bias under section 609.2231, subdivision 4, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, theft of a firearm, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, operating a machine gun or short-barreled shotgun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.

Sec. 25. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 9. [BUSINESS DAY.] "Business day" means a day on which state offices are open for normal business and excludes weekends and legal holidays.

Sec. 26. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 10. [CRIME PUNISHABLE BY IMPRISONMENT FOR A TERM EXCEEDING ONE YEAR.] "Crime punishable by imprisonment for a term exceeding one year" does not include:

(1) any federal or state offense pertaining to antitrust violations, unfair trade practices, restraints of trade, or other similar offenses relating to the regulation of business practices; or

(2) any state offense classified by the laws of this state or any other state as a misdemeanor and punishable by a term of imprisonment of two years or less.

What constitutes a conviction of a crime shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any conviction which has been expunged, or set aside, or for which a person has been pardoned or has had civil rights restored shall not be considered a conviction for purposes of this definition, unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms.

Sec. 27. Minnesota Statutes 1993 Supplement, section 62A.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol or semiautomatic military-style assault weapon or, *except for paragraph (a), any other firearm*:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(b) *except as otherwise provided in clause (i)*, a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, *or who has ever been found incompetent to stand trial or not guilty by reason of mental illness*, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts;

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(g) a person who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed; or

(h) *except as otherwise provided in clause (i)*, a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or a similar law of another state;

(i) *a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm for the period determined by the sentencing court; or*

(j) *a person who:*

(1) *has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;*

(2) *is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;*

(3) *is an unlawful user of any controlled substance as defined in chapter 152;*

(4) *has been judicially committed to a treatment facility in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02;*

(5) *is an alien who is illegally or unlawfully in the United States;*

(6) *has been discharged from the armed forces of the United States under dishonorable conditions; or*

(7) *has renounced the person's citizenship having been a citizen of the United States.*

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

Sec. 28. Minnesota Statutes 1993 Supplement, section 624.713, is amended by adding a subdivision to read:

Subd. 1a. [INELIGIBLE TO RECEIVE, SHIP, TRANSPORT.] A person presently charged with a crime punishable by imprisonment for a term exceeding one year shall not be entitled to receive, ship, or transport any pistol or semiautomatic military-style assault weapon. A violation of this subdivision is a gross misdemeanor.

Sec. 29. Minnesota Statutes 1993 Supplement, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee; ~~and~~

(c) *a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the commissioner of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1; and*

(d) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

~~The statement~~ *statements shall be signed and dated by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application. The statement under clause (c) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.*

Sec. 30. Minnesota Statutes 1992, section 624.7131, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] The chief of police or sheriff shall check criminal histories, records and warrant information relating to the applicant through the Minnesota crime information system *and the national criminal record repository and shall make a reasonable effort to check other available state and local record keeping systems. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.*

Sec. 31. Minnesota Statutes 1993 Supplement, section 624.7131, subdivision 10, is amended to read:

Subd. 10. [TRANSFER REPORT NOT REQUIRED.] A person who transfers a pistol or semiautomatic military-style assault weapon to a ~~licensed peace officer, as defined in section 626.84, subdivision 1, exhibiting a valid peace officer identification, or to a person exhibiting a valid transferee permit~~

issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714 is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Sec. 32. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or semiautomatic military-style assault weapon shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the ~~agreement is made~~ *proposed transferee resides* or to the appropriate county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(c) *a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the commissioner of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1;*

(d) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

(~~d~~) (e) the address of the place of business of the transferor.

The report shall be signed *and dated* by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays. *The statement under clause (c) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.*

Sec. 33. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota crime information system *and the national criminal record repository and shall make a reasonable effort to check other available state and local record keeping systems. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.*

Sec. 34. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 4, is amended to read:

Subd. 4. [DELIVERY.] Except as otherwise provided in subdivision 7 or 8, no person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee until ~~seven~~ *five business* days after the date of the

agreement to transfer as ~~stated on the report~~ is delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period. *The chief of police or sheriff may waive all or a portion of the five business day waiting period in writing if the chief of police or sheriff finds that the transferee requires access to a pistol or semiautomatic military-style assault weapon because of a threat to the life of the transferee or of any member of the household of the transferee.*

No person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within ~~seven~~ *five business days of the date after delivery* of the agreement to transfer, the pistol or semiautomatic military-style assault weapon may be delivered to the transferee.

Sec. 35. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 8, is amended to read:

Subd. 8. [REPORT NOT REQUIRED.] (4) If the proposed transferee presents a valid transferee permit issued under section 624.7131 or a valid permit to carry issued under section 624.714, or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1, ~~who presents a valid peace officer photo identification and badge, the transferor need not file a transfer report.~~

(2) ~~If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol or semiautomatic military-style assault weapon may be made under subdivision 4.~~

Sec. 36. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 12, is amended to read:

Subd. 12. [EXCLUSIONS.] *Except as otherwise provided in section 609.66, subdivision 1f,* this section shall not apply to transfers of antique firearms as curiosities or for their historical significance or value, transfers to or between federally licensed firearms dealers, transfers by order of court, involuntary transfers, transfers at death or the following transfers:

- (a) a transfer by a person other than a federally licensed firearms dealer;
- (b) a loan to a prospective transferee if the loan is intended for a period of no more than one day;
- (c) the delivery of a pistol or semiautomatic military-style assault weapon to a person for the purpose of repair, reconditioning or remodeling;
- (d) a loan by a teacher to a student in a course designed to teach marksmanship or safety with a pistol and approved by the commissioner of natural resources;

- (e) a loan between persons at a firearms collectors exhibition;
- (f) a loan between persons lawfully engaged in hunting or target shooting if the loan is intended for a period of no more than 12 hours;
- (g) a loan between law enforcement officers who have the power to make arrests other than citizen arrests; and
- (h) a loan between employees or between the employer and an employee in a business if the employee is required to carry a pistol or semiautomatic military-style assault weapon by reason of employment and is the holder of a valid permit to carry a pistol.

Sec. 37. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 14, is amended to read:

Subd. 14. [TRANSFER TO UNKNOWN PARTY.] (a) No person shall transfer a pistol or semiautomatic military-style assault weapon to another who is not personally known to the transferor unless the proposed transferee presents evidence of identity to the transferor. ~~A person who transfers a pistol or semiautomatic military-style assault weapon in violation of this clause is guilty of a misdemeanor.~~

(b) No person who is not personally known to the transferor shall become a transferee of a pistol or semiautomatic military-style assault weapon unless the person presents evidence of identity to the transferor.

(c) The evidence of identity shall contain the name, residence address, date of birth, and photograph of the proposed transferee; must be made or issued by or under the authority of the United States government, a state, a political subdivision of a state, a foreign government, a political subdivision of a foreign government, an international governmental or an international quasi-governmental organization; and must be of a type commonly accepted for the purpose of identification of individuals.

(d) A person who becomes a transferee of a pistol or semiautomatic military-style assault weapon in violation of this ~~clause~~ subdivision is guilty of a misdemeanor.

Sec. 38. Minnesota Statutes 1992, section 624.714, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] Applications for permits to carry shall set forth in writing the following information:

- (1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the applicant;
- (2) the sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any, of the applicant;
- (3) *a statement that the applicant authorizes the release to the local police authority of commitment information about the applicant maintained by the commissioner of human services, to the extent that the information relates to the applicant's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1;*
- (4) a statement by the applicant that the applicant is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

(4) (5) a recent color photograph of the applicant.

The application shall be signed *and dated* by the applicant. *The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.*

Sec. 39. Minnesota Statutes 1992, section 624.714, subdivision 4, is amended to read:

Subd. 4. [INVESTIGATION.] The application authority shall check criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System. *The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.*

Sec. 40. Minnesota Statutes 1992, section 624.714, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO GRANT PERMITS.] Failure of the chief police officer or the county sheriff to deny the application or issue a permit to carry a pistol within 21 days of the date of application shall be deemed to be a grant thereof. The local police authority shall provide an applicant with written notification of a denial and the specific reason for the denial. ~~The permits and their renewal shall be granted free of charge.~~ *A chief of police or a sheriff may charge a fee to cover the cost of conducting a background check, not to exceed \$10. The permit shall specify the activities for which it shall be valid.*

Sec. 41. [624.7141] [TRANSFER TO INELIGIBLE PERSON.]

Subdivision 1. [TRANSFER PROHIBITED.] A person is guilty of a gross misdemeanor who intentionally transfers a pistol or semiautomatic military-style assault weapon to another if the person knows that the transferee:

(1) has been denied a permit to carry under section 624.714 because the transferee is not eligible under section 624.713 to possess a pistol or semiautomatic military-style assault weapon;

(2) has been found ineligible to possess a pistol or semiautomatic military-style assault weapon by a chief of police or sheriff as a result of an application for a transferee permit or a transfer report; or

(3) is disqualified under section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

Subd. 2. [FELONY.] A violation of this section is a felony if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence.

Subd. 3. [SUBSEQUENT ELIGIBILITY.] This section is not applicable to a transfer to a person who became eligible to possess a pistol or semiautomatic military-style assault weapon under section 624.713 after the transfer occurred but before the transferee used or possessed the weapon in furtherance of any crime.

Sec. 42. Minnesota Statutes 1993 Supplement, section 624.7181, is amended to read:

624.7181 [RIFLES AND SHOTGUNS IN PUBLIC PLACES.]

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

(a) "*BB gun*" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter.

(b) "Carry" does not include:

(1) the carrying of a *BB gun*, rifle, or shotgun to, from, or at a place where firearms are repaired, bought, sold, traded, or displayed, or where hunting, target shooting, or other lawful activity involving firearms occurs, or at funerals, parades, or other lawful ceremonies;

(2) the carrying by a person of a *BB gun*, rifle, or shotgun that is unloaded and in a gun case expressly made to contain a firearm, if the case fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened, and no portion of the firearm is exposed;

(3) the carrying of a *BB gun*, rifle, or shotgun by a person who has a permit under section 624.714;

(4) the carrying of an antique firearm as a curiosity or for its historical significance or value; or

(5) the transporting of a *BB gun*, rifle, or shotgun in compliance with section 97B.045.

(b) (c) "Public place" means property owned, leased, or controlled by a governmental unit and private property that is regularly and frequently open to or made available for use by the public in sufficient numbers to give clear notice of the property's current dedication to public use but does not include: a person's dwelling house or premises, the place of business owned or managed by the person, or land possessed by the person; a gun show, gun shop, or hunting or target shooting facility; or the woods, fields, or waters of this state where the person is present lawfully for the purpose of hunting or target shooting or other lawful activity involving firearms.

Subd. 2. [GROSS MISDEMEANOR.] Whoever carries a *BB gun*, rifle, or shotgun on or about the person in a public place is guilty of a gross misdemeanor.

Subd. 3. [EXCEPTIONS.] This section does not apply to officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States, or private detectives or protective agents, to the extent that these persons are authorized by law to carry firearms and are acting in the scope of their official duties.

Sec. 43. [629.71] [RELEASE IN CASES INVOLVING CRIMES AGAINST PERSONS.]

Subdivision 1. [JUDICIAL REVIEW; RELEASE; SURRENDER OF FIREARMS.] (a) When a person is arrested for a crime against the person, the judge before whom the arrested person is taken shall review the facts surrounding the arrest and detention. The arrested person must be ordered released pending trial or hearing on the person's personal recognizance or on an order to appear or upon the execution of an unsecured bond in a specified amount unless the judge determines that release (1) will be inimical to public safety, (2) will create a threat of bodily harm to the arrested person, the victim

of the alleged crime, or another, or (3) will not reasonably assure the appearance of the arrested person at subsequent proceedings.

(b) If the judge determines release under paragraph (a) is not advisable, the judge may impose any conditions of release that will reasonably assure the appearance of the person for subsequent proceedings, or will protect the victim of the alleged crime, or may fix the amount of money bail without other conditions upon which the arrested person may obtain release.

Subd. 2. [SURRENDER OF FIREARMS.] The judge may order as a condition of release that the person surrender to the local law enforcement agency all firearms, destructive devices, or dangerous weapons owned or possessed by the person, and may not live in a residence where others possess firearms. Any firearm, destructive device, or dangerous weapon surrendered under this subdivision shall be inventoried and retained, with due care to preserve its quality and function, by the local law enforcement agency, and must be returned to the person upon the person's acquittal, when charges are dismissed, or if no charges are filed. If the person is convicted, the firearm must be returned when the court orders the return or when the person is discharged from probation and restored to civil rights. If the person is convicted of a designated offense as defined in section 609.531, the firearm is subject to forfeiture as provided under that section. This condition may be imposed in addition to any other condition authorized by rule 6.02 of the rules of criminal procedure.

Subd. 3. [WRITTEN ORDER.] If conditions of release are imposed, the judge shall issue a written order for conditional release. The court administrator shall immediately distribute a copy of the order for conditional release to the agency having custody of the arrested person and shall provide the agency having custody of the arrested person with any available information on the location of the victim in a manner that protects the victim's safety. Either the court or its designee or the agency having custody of the arrested person shall serve upon the defendant a copy of the order. Failure to serve the arrested person with a copy of the order for conditional release does not invalidate the conditions of release.

Subd. 4. [NO CONTACT ORDER.] If the judge imposes as a condition of release a requirement that the person have no contact with the victim of the alleged crime, the judge may also, on its own motion or that of the prosecutor or on request of the victim, issue an ex parte temporary restraining order under section 609.748, subdivision 4, or an ex parte temporary order for protection under section 518B.01, subdivision 7. Notwithstanding section 518B.01, subdivision 7, paragraph (b), or 609.748, subdivision 4, paragraph (c), the temporary order is effective until the defendant is convicted or acquitted, or the charge is dismissed, provided that upon request the defendant is entitled to a full hearing on the restraining order under section 609.748, subdivision 5, or on the order for protection under section 518B.01. The hearing must be held within seven days of the defendant's request.

Sec. 44. [FIREARMS REPORT REQUIRED.]

The criminal justice statistical analysis center of the office of strategic and long-range planning shall report to the legislature no later than January 31 of each year on the number of persons arrested, charged, convicted, and sentenced for violations of each state law affecting the use or possession of firearms. The report must include complete statistics, including the make, model, and serial number of each firearm involved, where that information is

available, on each crime committed affecting the use or possession of firearms and a breakdown by county of the crimes committed.

Sec. 45. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall consider increasing the severity level ranking of the crime of theft of a firearm. If the commission modifies the ranking, the commission shall apply the modification to crimes committed on or after August 1, 1994.

Sec. 46. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 7, is repealed.

Sec. 47. [EFFECTIVE DATE.]

Sections 1, 4, 8, 44, and 45 are effective July 1, 1994. Sections 2, 3, 5 to 7, 9 to 11, 17 to 43, and 46 are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 12 to 16 are effective August 1, 1994, and apply to seizures occurring on or after that date.

ARTICLE 4

LAW ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 13.32, is amended by adding a subdivision to read:

Subd. 7. [USES OF DATA.] School officials who receive data on juveniles, as authorized under section 260.161, may use and share that data within the school district or educational entity as necessary to protect persons and property or to address the educational and other needs of students.

Sec. 2. Minnesota Statutes 1993 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers,

upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;

(9) to the Minnesota department of jobs and training for the purpose of monitoring the eligibility of the data subject for unemployment compensation, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children; ~~medical assistance, general assistance, work readiness, or general assistance medical care~~ may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties; ~~or~~

(16) the current address of a recipient of general assistance, work readiness, or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient, and to law enforcement officers who are investigating the recipient in connection with a felony level offense; or

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c).

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15) ~~or~~, (16), *or* (17), or paragraph (b) are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 3. Minnesota Statutes 1993 Supplement, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency or a law enforcement dispatching agency working under direction of a law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

(a) when access to the data would reveal the identity of an undercover law enforcement officer;

(b) when access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;

(c) when access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant;

(d) when access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual;

(e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred; ~~or~~

(f) when access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller; *or*

(g) *when access to the data would reveal the identity of a juvenile witness and the agency reasonably determines that the subject matter of the investigation justifies protecting the identity of the witness.*

Data concerning individuals whose identities are protected by this subdivision are private data about those individuals. Law enforcement agencies shall establish procedures to acquire the data and make the decisions

necessary to protect the identity of individuals described in ~~clause~~ *clauses* (d) and (g).

Sec. 4. Minnesota Statutes 1992, section 13.99, subdivision 79, is amended to read:

Subd. 79. [PEACE OFFICERS, COURT SERVICES, AND CORRECTIONS RECORDS OF JUVENILES.] Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3. *Disclosure to school officials of court services data on juveniles adjudicated delinquent is governed by section 260.161, subdivision 1b.*

Sec. 5. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] A person shall register under this section if:

(1) the person was charged with *or petitioned for* a felony violation of or attempt to violate any of the following, and convicted of *or adjudicated delinquent for* that offense or of another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2);

(ii) kidnapping under section 609.25, involving a minor victim; or

(iii) criminal sexual conduct under section 609.342, ~~subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.343, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.344, subdivision 1, paragraph (c), or (d); or 609.345, subdivision 1, paragraph (c), or (d); or~~

(2) the person was convicted of a predatory crime as defined in section 609.1352, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal.

Sec. 6. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under this section is sentenced, the court shall tell the person of the duty to register under this section. The court shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. *If a person required to register under this section was not notified by the court of the registration requirement at the time of sentencing, the assigned corrections agent shall notify the person of the requirements of this section.*

Sec. 7. Minnesota Statutes 1992, section 243.166, subdivision 5, is amended to read:

Subd. 5. [CRIMINAL PENALTY.] A person required to register under this section who violates any of its provisions *or intentionally provides false information to a corrections agent* is guilty of a gross misdemeanor. *A violation of this section may be prosecuted either where the person resides or where the person was last assigned to a Minnesota corrections agent.*

Sec. 8. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 9, is amended to read:

Subd. 9. **[PRISONERS OFFENDERS FROM OTHER STATES.]** When the state accepts a ~~prisoner~~ *an offender* from another state under a reciprocal agreement under the interstate compact authorized by section 243.16 *or under any authorized interstate agreement*, the acceptance is conditional on the offender agreeing to register under this section when the offender is living in Minnesota ~~following a term of imprisonment if any part of that term was served in this state.~~

Sec. 9. Minnesota Statutes 1992, section 260.132, is amended by adding a subdivision to read:

Subd. 4. **[TRUANT.]** *When a peace officer or probation officer has probable cause to believe that a child is currently under age 16 and absent from school without lawful excuse, the officer may transport the child to the child's home and deliver the child to the custody of the child's parent or guardian, transport the child to the child's school of enrollment and deliver the child to the custody of a school superintendent or teacher or transport the child to a truancy service center. For purposes of this subdivision, a truancy service center is a facility that receives truant students from peace officers or probation officers and takes appropriate action including one or more of the following:*

- (1) assessing the truant's attendance situation;*
- (2) assisting in coordinating intervention efforts where appropriate;*
- (3) contacting the parents or legal guardian of the truant and releasing the truant to the custody of the parent or guardian; and*
- (4) facilitating the truant's earliest possible return to school.*

Sec. 10. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 1b. **[DISPOSITION ORDER; COPY TO SCHOOL.]** *(a) If a juvenile is enrolled in school, the juvenile's probation officer shall transmit a copy of the court's disposition order to the principal or chief administrative officer of the juvenile's school if the juvenile has been adjudicated delinquent for committing an act on the school's property or an act:*

(1) that would be a violation of section 609.185 (first-degree murder); 609.19 (second-degree murder); 609.195 (third-degree murder); 609.20 (first-degree manslaughter); 609.205 (second-degree manslaughter); 609.21 (criminal vehicular homicide and injury); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.3451 (fifth-degree criminal sexual conduct); 609.498 (tampering with a witness); 609.561 (first-degree arson); 609.582, subdivision 1 or 2 (burglary); 609.713 (terroristic threats); or 609.749 (harassment and stalking), if committed by an adult;

(2) that would be a violation of section 152.021 (first-degree controlled substance crime); 152.022 (second-degree controlled substance crime); 152.023 (third-degree controlled substance crime); 152.024 (fourth-degree

controlled substance crime); 152.025 (fifth-degree controlled substance crime); 152.0261 (importing a controlled substance); or 152.027 (other controlled substance offenses), if committed by an adult; or

(3) that involved the possession or use of a dangerous weapon as defined in section 609.02, subdivision 6.

When a disposition order is transmitted under this paragraph, the probation officer shall notify the juvenile's parent or legal guardian that the disposition order has been shared with the juvenile's school.

(b) The disposition order must be accompanied by a notice to the school that the school may obtain additional information from the juvenile's probation officer with the consent of the juvenile or the juvenile's parents, as applicable. The disposition order must be maintained in the student's permanent education record but may not be released outside of the school district or educational entity, other than to another school district or educational entity to which the juvenile is transferring. Notwithstanding section 138.17, the disposition order must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier.

(c) The juvenile's probation officer shall maintain a record of disposition orders released under this subdivision and the basis for the release.

(d) The criminal and juvenile justice information policy group, in consultation with representatives of probation officers and educators, shall prepare standard forms for use by juvenile probation officers in forwarding information to schools under this subdivision and in maintaining a record of the information that is released.

(e) As used in this subdivision, "school" means a public or private elementary, middle, or secondary school.

Sec. 11. Minnesota Statutes 1992, section 260.161, subdivision 2, is amended to read:

Subd. 2. [PUBLIC INSPECTION LIMITATIONS.] Except as otherwise provided in this ~~subdivision and in subdivision 1~~ section, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 245A.04, 611A.03, 611A.04, 611A.06, and 629.73. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95.

Sec. 12. Minnesota Statutes 1993 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years of age or older and are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as *otherwise* provided in ~~paragraph (d)~~ *this subdivision*. Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes, case supervision by parole agents, and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may

be disclosed as authorized under section 13.82, subdivision 4, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

(e) A law enforcement agency shall notify the principal or chief administrative officer of a juvenile's school of an incident occurring within the agency's jurisdiction if:

(1) the agency has probable cause to believe that the juvenile has committed an offense that would be a crime if committed as an adult, that the victim of the offense is a student or staff member of the school, and that notice to the school is reasonably necessary for the protection of the victim; or

(2) the agency has probable cause to believe that the juvenile has committed an offense described in subdivision 1b, paragraph (a), clauses (1) to (3), that would be a crime if committed by an adult.

A law enforcement agency is not required to notify the school under this paragraph if the agency determines that notice would jeopardize an ongoing investigation. Notwithstanding section 138.17, data from a notice received from a law enforcement agency under this paragraph must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier. For purposes of this paragraph, "school" means a public or private elementary, middle, or secondary school.

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile prepetition or pretrial diversion program, a law enforcement agency or county attorney's office may provide the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

(g) Upon request of a local social service agency, peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated to the agency to promote the best interests of the subject of the data.

Sec. 13. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 5. [FURTHER RELEASE OF RECORDS.] A person who receives access to juvenile court or peace officer records of children that are not accessible to the public may not release or disclose the records to any other person except as authorized by law. This subdivision does not apply to the child who is the subject of the records or the child's parent or guardian.

Sec. 14. Minnesota Statutes 1992, section 260.165, subdivision 1, is amended to read:

Subdivision 1. No child may be taken into immediate custody except:

(a) With an order issued by the court in accordance with the provisions of section 260.135, subdivision 5, or by a warrant issued in accordance with the provisions of section 260.145; or

(b) In accordance with the laws relating to arrests; or

(c) By a peace officer

(1) when a child has run away from a parent, guardian, or custodian, or when the peace officer reasonably believes the child has run away from a parent, guardian, or custodian; or

(2) when a child is found in surroundings or conditions which endanger the child's health or welfare or which such peace officer reasonably believes will endanger the child's health or welfare. If an Indian child is a resident of a reservation or is domiciled on a reservation but temporarily located off the reservation, the taking of the child into custody under this clause shall be consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1922; or

(d) By a peace officer or probation or parole officer when it is reasonably believed that the child has violated the terms of probation, parole, or other field supervision; or

(e) By a peace officer or probation officer under section 260.132, subdivision 4.

Sec. 15. Minnesota Statutes 1992, section 299A.34, subdivision 1, is amended to read:

Subdivision 1. [GRANT PROGRAMS.] (a) The commissioner shall develop grant programs to:

(1) assist law enforcement agencies in purchasing equipment, provide undercover buy money, and pay other nonpersonnel costs; and

(2) assist community and neighborhood organizations in efforts to prevent or reduce criminal activities in their areas, particularly activities involving youth and the use and sale of drugs; and

(3) assist law enforcement agencies in efforts to target and apprehend violent habitual criminals.

(b) The commissioner shall prescribe criteria for eligibility and the award of grants and reporting requirements for recipients.

Sec. 16. Minnesota Statutes 1992, section 299A.38, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS.] (a) Only vests that either meet or exceed the requirements of standard ~~0101.04~~ 0101.03 of the National Institute of Justice in effect on December 30, 1986, or that meet or exceed the requirements of that standard, except wet armor conditioning, are eligible for reimbursement.

(b) Eligibility for reimbursement is limited to vests bought after December 31, 1986, by or for peace officers (1) who did not own a vest meeting the requirements of paragraph (a) before the purchase, or (2) who owned a vest that was at least six years old.

Sec. 17. Minnesota Statutes 1992, section 299C.065, as amended by Laws 1993, chapter 326, article 12, section 6, is amended to read:

~~299C.065 [UNDERCOVER BUY FUND; WITNESS ASSISTANCE SERVICES AND VICTIM PROTECTION.]~~

Subdivision 1. [GRANTS.] The commissioner of public safety shall make grants to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322, 609.323, or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution; and

(5) ~~witness assistance services in cases involving criminal gang activity in violation of section 609.229, or domestic assault, as defined in section 611A.0315; and~~

(6) for partial reimbursement of local costs associated with unanticipated, intensive, long-term, multijurisdictional criminal investigations that exhaust available local resources, *except that the commissioner may not reimburse the costs of a local investigation involving a child who is reported to be missing and endangered unless the law enforcement agency complies with section 299C.53 and the agency's own investigative policy.*

Subd. 1a. [WITNESS AND VICTIM PROTECTION FUND.] A witness and victim protection fund is created under the administration of the commissioner of public safety. The commissioner may make grants to local officials to provide for the relocation or other protection of a victim, witness, or potential witness who is involved in a criminal prosecution and who the commissioner has reason to believe is or is likely to be the target of a violent crime or a violation of section 609.498 or 609.713, in connection with that prosecution. The commissioner may award grants for any of the following actions in connection with the protection of a witness or victim under this subdivision:

(1) to provide suitable documents to enable the person to establish a new identity or otherwise protect the person;

(2) to provide housing for the person;

(3) to provide for the transportation of household furniture and other personal property to the person's new residence;

(4) to provide the person with a payment to meet basic living expenses for a time period the commissioner deems necessary;

(5) to assist the person in obtaining employment; and

(6) to provide other services necessary to assist the person in becoming self-sustaining.

Subd. 2. [APPLICATION FOR GRANT.] A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 1; or 1a, on forms and pursuant to procedures developed by the superintendent. For grants under subdivision 1, the application shall describe the type of intended criminal investigation, an estimate of the amount of money required, and any other information the superintendent deems necessary.

Subd. 3. [INVESTIGATION REPORT.] A report shall be made to the commissioner at the conclusion of an investigation ~~pursuant to this section for which a grant was made under subdivision 1~~ stating: (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money", of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the ~~legislature~~ *chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy* by January 1 of each year a report of investigations ~~pursuant to this section receiving grants under subdivision 1.~~

Subd. 3a. [ACCOUNTING REPORT.] The head of a law enforcement agency that receives a grant under ~~this section for witness assistance services~~ *subdivision 1a* shall file a report with the commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare and submit to the ~~legislature~~ *chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy* by January 1 of each year a summary report of witness assistance services provided under this section.

Subd. 4. [DATA CLASSIFICATION.] An application to the commissioner for money is a confidential record. Information within investigative files that identifies or could reasonably be used to ascertain the identity of assisted witnesses, sources, or undercover investigators is a confidential record. A report at the conclusion of an investigation is a public record, except that information in a report pertaining to the identity or location of an assisted witness is private data.

Sec. 18. [299C.066] [CRIME INFORMATION REWARD FUND.]

Subdivision 1. [FUND.] A crime information reward fund is created as an account in the state treasury. Money appropriated to the account is available to pay rewards as directed by the commissioner of public safety, in consultation with the attorney general, under this section. The attorney general shall appoint an advisory group, in consultation with the commissioner, of five members to assist in implementation of this section.

Subd. 2. [REWARDS.] The commissioner is authorized to pay a reward to any person who, in response to a reward offer, provides information leading to the arrest and conviction of a criminal offender. The commissioner shall establish criteria for determining the amount of the reward and the duration of the reward offer. In no event shall a reward exceed \$10,000 or a reward offer remain open longer than ten days. The commissioner shall select the criminal investigations for which rewards are offered based on recommendations made by the advisory group members or by the law enforcement agency or agencies conducting the criminal investigation.

Sec. 19. Minnesota Statutes 1993 Supplement, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. [LAW ENFORCEMENT DUTY.] It is hereby made the duty of the sheriffs of the respective counties and of the police officers in cities of the first, second, and third classes, under the direction of the chiefs of police in such cities, to take or cause to be taken immediately finger and thumb prints, photographs, distinctive physical mark identification data, and such

other identification data as may be requested or required by the superintendent of the bureau; of all persons arrested for a felony, gross misdemeanor, of all juveniles committing felonies as distinguished from those committed by adult offenders, of all persons reasonably believed by the arresting officer to be fugitives from justice, of all persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes, and within 24 hours thereafter to forward such fingerprint records and other identification data on such forms and in such manner as may be prescribed by the superintendent of the bureau of criminal apprehension.

Sec. 20. Minnesota Statutes 1992, section 299C.11, is amended to read:

299C.11 [INFORMATION FURNISHED BY SHERIFFS AND POLICE CHIEFS.]

The sheriff of each county and the chief of police of each city of the first, second, and third classes shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, *distinctive physical mark identification data*, and other identification data as may be requested or required by the superintendent of the bureau, which may be taken under the provisions of section 299C.10, of persons who shall be convicted of a felony, gross misdemeanor, or who shall be found to have been convicted of a felony or gross misdemeanor, within ten years next preceding their arrest. Upon the determination of all pending criminal actions or proceedings in favor of the arrested person, the arrested person shall, upon demand, have all such finger and thumb prints, photographs, *distinctive physical mark identification data*, and other identification data, and all copies and duplicates thereof, returned, provided it is not established that the arrested person has been convicted of any felony, either within or without the state, within the period of ten years immediately preceding such determination.

For purposes of this section, "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include the sealing of a criminal record pursuant to section 152.18, subdivision 1, 242.31, or 609.168.

Sec. 21. [299C.115] [COUNTIES TO PROVIDE WARRANT INFORMATION TO STATE CRIMINAL JUSTICE INFORMATION SYSTEM.]

By January 1, 1996, every county shall, in the manner provided in either clause (1) or (2), make warrant information available to other users of the Minnesota criminal justice information system:

(1) the county shall enter the warrant information in the warrant file of the Minnesota criminal justice information system; or

(2) the county, at no charge to the state, shall make the warrant information that is maintained in the county's computer accessible by means of a single query to the Minnesota criminal justice information system.

As used in this section, "warrant information" means information on all outstanding felony, gross misdemeanor, and misdemeanor warrants for adults and juveniles that are issued within the county.

Sec. 22. Minnesota Statutes 1992, section 299C.14, is amended to read:

299C.14 [OFFICERS OF PENAL INSTITUTIONS TO FURNISH BUREAU WITH DATA RELATING TO RELEASED PRISONERS.]

It shall be the duty of the officials having charge of the penal institutions of the state or the release of prisoners therefrom to furnish to the bureau, as the superintendent may require, finger and thumb prints, photographs, *distinctive physical mark identification data*, other identification data, *modus operandi* reports, and criminal records of prisoners heretofore, now, or hereafter confined in such penal institutions, together with the period of their service and the time, terms, and conditions of their discharge.

Sec. 23. [299C.145] [DISTINCTIVE PHYSICAL MARK IDENTIFICATION SYSTEM; ESTABLISHMENT AND OPERATION.]

Subdivision 1. [DEFINITION.] As used in this section and in sections 299C.10, 299C.11, and 299C.14, "distinctive physical mark identification data" means a photograph of a brand, scar, or tattoo, and a description of the body location where the distinctive physical mark appears.

Subd. 2. [SYSTEM ESTABLISHMENT.] The superintendent shall establish and maintain a system within the bureau to enable law enforcement agencies to submit and obtain distinctive physical mark identification data on persons who are under investigation for criminal activity. The system shall cross reference the distinctive physical mark identification data with the name of the individual from whose body the distinctive physical mark identification data was obtained. The system also shall cross reference distinctive physical mark identification data with the names of individuals who have been identified as having a similar or identical distinctive physical mark in the same body location.

Subd. 3. [AUTHORITY TO ENTER OR RETRIEVE DISTINCTIVE PHYSICAL MARK IDENTIFICATION DATA.] Only law enforcement agencies may submit data to and obtain data from the distinctive physical mark identification system.

Subd. 4. [RULES.] The bureau may adopt rules to provide for the orderly collection, entry, and retrieval of data contained in the distinctive physical mark identification system.

Sec. 24. Minnesota Statutes 1992, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 299C.52 to 299C.56, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent;

(b) "CJIS" means Minnesota criminal justice information system;

(c) "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located; and

(d) "NCIC" means National Crime Information Center; and

(e) "Endangered" means that a law enforcement official has received sufficient evidence that the child is with a person who presents a threat of immediate physical injury to the child or physical or sexual abuse of the child.

Sec. 25. Minnesota Statutes 1992, section 299C.53, subdivision 1, is amended to read:

Subdivision 1. [INVESTIGATION AND ENTRY OF INFORMATION.] Upon receiving a report of a child believed to be missing, a law enforcement agency shall conduct a preliminary investigation to determine whether the child is missing. *If the child is initially determined to be missing and endangered, the agency shall immediately consult the Bureau of Criminal Apprehension during the preliminary investigation, in recognition of the fact that the first two hours are critical.* If the child is determined to be missing, the agency shall immediately enter identifying and descriptive information about the child through the CJIS into the NCIC computer. Law enforcement agencies having direct access to the CJIS and the NCIC computer shall enter and retrieve the data directly and shall cooperate in the entry and retrieval of data on behalf of law enforcement agencies which do not have direct access to the systems.

Sec. 26. Minnesota Statutes 1992, section 299C.53, is amended by adding a subdivision to read:

Subd. 3. [MISSING AND ENDANGERED CHILDREN.] *If the bureau of criminal apprehension receives a report from a law enforcement agency indicating that a child is missing and endangered, the superintendent may assist the law enforcement agency in conducting the preliminary investigation, offer resources, and assist the agency in helping implement the investigation policy with particular attention to the need for immediate action.*

Sec. 27. Minnesota Statutes 1992, section 299D.07, is amended to read:

299D.07 [HELICOPTERS AND FIXED WING AIRCRAFT.]

The commissioner of public safety is hereby authorized to retain, acquire, maintain and operate helicopters and fixed wing aircraft for the purposes of the highway patrol and the Bureau of Criminal Apprehension and to employ state patrol officer pilots as required.

Sec. 28. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [JUDICIAL TRAINING ON DOMESTIC ABUSE, HARASSMENT, AND STALKING.]

The supreme court's judicial education program must include ongoing training for district court judges on *child and adolescent sexual abuse, domestic abuse, harassment, and stalking laws*, and related civil and criminal court issues. *The program must include information about the specific needs of victims.* The program must include education on the causes of *sexual abuse and family violence* and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on *sexual abuse and domestic abuse programs and policies* within law enforcement agencies and prosecuting authorities as well as the court system.

Sec. 29. Minnesota Statutes 1992, section 609.5315, subdivision 3, is amended to read:

Subd. 3. [USE BY LAW ENFORCEMENT.] (a) Property kept under this section may be used only in the performance of official duties of the appropriate agency or prosecuting agency and may not be used for any other

purpose. *If an appropriate agency keeps a forfeited motor vehicle for official use; it shall make reasonable efforts to ensure that the motor vehicle is available for use and adaptation by the agency's officers who participate in the drug abuse resistance education program.*

(b) Proceeds from the sale of property kept under this subdivision must be disbursed as provided in subdivision 5.

Sec. 30. Minnesota Statutes 1992, section 626.556, subdivision 3a, is amended to read:

Subd. 3a. [REPORT OF DEPRIVATION OF PARENTAL RIGHTS OR KIDNAPPING.] A person mandated to report under subdivision 3, who knows or has reason to know of a violation of section 609.25 or 609.26, shall report the information to the local police department or the county sheriff. Receipt by a local welfare agency of a report or notification of a report of a violation of section 609.25 or 609.26 shall not be construed to invoke the duties of subdivision 10, 10a, or 10b.

Sec. 31. Minnesota Statutes 1992, section 626.76, is amended to read:

626.76 [RULES AND REGULATIONS; AIDING OTHER OFFICERS; EXCHANGE PROGRAMS.]

Subdivision 1. Any appointive or elective agency or office of peace officers as defined in subdivision 3 may establish rules or regulations and enter into agreements with other agencies and offices for:

(1) assisting other peace officers in the line of their duty and within the course of their employment; and

(2) exchanging the agency's peace officers with peace officers of another agency or office on a temporary basis. Additionally, the agency or office may establish rules and regulations for assisting probation, parole, and supervised release agents who are supervising probationers, parolees, or supervised releasees in the geographic area within the agency's or office's jurisdiction.

Subd. 2. (a) When a peace officer gives assistance to another peace officer, or to a parole, probation, or supervised release agent, within the scope of the rules or regulations of the peace officer's appointive or elected agency or office, any such assistance shall be within the line of duty and course of employment of the officer rendering the assistance.

(b) When a peace officer acts on behalf of another agency or office within the scope of an exchange agreement entered into under subdivision 1, the officer's actions are within the officer's line of duty and course of employment to the same extent as if the officer had acted on behalf of the officer's employing agency.

Subd. 3. For the purposes of this section the term, "peace officer" means any member of a police department, state patrol, game warden service, sheriff's office, or any other law enforcement agency, the members of which have, by law, the power of arrest.

Subd. 4. This section shall in no way be construed as extending or enlarging the duties or authority of any peace officer or any other law enforcement agent as defined in subdivision 3 except as provided in this section.

Sec. 32. [626.8454] [MANUAL AND POLICY FOR INVESTIGATING CASES INVOLVING CHILDREN WHO ARE MISSING AND ENDANGERED.]

Subdivision 1. [MANUAL.] By July 1, 1994, the superintendent of the bureau of criminal apprehension shall transmit to law enforcement agencies a training and procedures manual on child abduction investigations.

Subd. 2. [MODEL INVESTIGATION POLICY.] By June 1, 1995, the peace officer standards and training board shall develop a model investigation policy for cases involving children who are missing and endangered as defined in section 299C.52. The model policy shall describe the procedures for the handling of cases involving children who are missing and endangered. In developing the policy, the board shall consult with representatives of the bureau of criminal apprehension, Minnesota police chiefs association, Minnesota sheriff's association, Minnesota police and peace officers association, Minnesota association of women police, Minnesota county attorneys association, a nonprofit foundation formed to combat child abuse, and two representatives of victims advocacy groups selected by the commissioner of corrections. The manual on child abduction investigation shall serve as a basis for defining the specific actions to be taken during the early investigation.

Subd. 3. [LOCAL POLICY.] By August 1, 1995, each chief of police and sheriff shall establish and implement a written policy governing the investigation of cases involving children who are missing and endangered as defined in section 299C.52. The policy shall be based on the model policy developed under subdivision 2. The policy shall include specific actions to be taken during the initial two-hour period.

Sec. 33. Minnesota Statutes 1992, section 626.846, subdivision 6, is amended to read:

Subd. 6. A person seeking election or appointment to the office of sheriff, or seeking appointment to the position of chief law enforcement officer, as defined by the rules of the board, after June 30, 1987, must be licensed or eligible to be licensed as a peace officer. The person shall submit proof of peace officer licensure or eligibility as part of the application for office. A person elected or appointed to the office of sheriff or the position of chief law enforcement officer shall be licensed as a peace officer during the person's term of office or employment.

Sec. 34. Minnesota Statutes 1993 Supplement, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] (a) Receipts from penalty assessments must be credited to a peace officer training account in the special revenue fund. The peace officers standards and training board shall make the following allocations from appropriated funds, net of operating expenses:

(1) for fiscal year 1994:

(i) at least 25 percent for reimbursement to board-approved skills courses; and

(ii) at least 13.5 percent for the school of law enforcement;

(2) for fiscal year 1995:

(i) at least 17 percent to the community college system for one-time start-up costs associated with the transition to an integrated academic program;

(ii) at least eight percent for reimbursement to board-approved skills courses in the technical college system; and

(iii) at least 13.5 percent for the school of law enforcement.

The balance in each year may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

(b) The board must not reduce allocations to law enforcement agencies or higher education systems or institutions to fund legal costs or other board operating expenses not presented in the board's biennial legislative budget request.

(c) No school in Minnesota certified by the board shall provide a nondegree professional peace officer education program for any state agency or local law enforcement agency after December 31, 1994, without affirmative legislative approval.

Sec. 35. Minnesota Statutes 1992, section 629.73, is amended to read:

629.73 [NOTICE TO SEXUAL ASSAULT CRIME VICTIM REGARDING RELEASE OF ARRESTED OR DETAINED PERSON.]

Subdivision 1. [ORAL NOTICE.] When a person arrested or a juvenile detained for ~~criminal sexual conduct or attempted criminal sexual conduct~~ *a crime of violence or an attempted crime of violence* is about to be released from pretrial detention, the agency having custody of the arrested or detained person or its designee shall make a reasonable and good faith effort before release to inform orally the victim or, if the victim is incapacitated, the same or next of kin, or if the victim is a minor, the victim's parent or guardian of the following matters:

(1) the conditions of release, if any;

(2) the time of release;

(3) the time, date, and place of the next scheduled court appearance of the arrested or detained person and, where applicable, the victim's right to be present at the court appearance; and

(4) the location and telephone number of the area sexual assault program as designated by the commissioner of corrections.

Subd. 2. [WRITTEN NOTICE.] As soon as practicable after the arrested or detained person is released, the agency having custody of the arrested or detained person or its designee must personally deliver or mail to the alleged victim written notice of the information contained in subdivision 1, clauses (2) and (3).

Sec. 36. [BUREAU OF CRIMINAL APPREHENSION; REPORT TO LEGISLATURE REQUIRED.]

The superintendent of the Bureau of Criminal Apprehension shall conduct a study of the mandate in Minnesota Statutes, sections 299C.10 and 299C.11,

that local law enforcement agencies take finger and thumb prints of persons arrested for certain crimes and forward copies of the prints to the bureau within 24 hours. The superintendent shall determine the extent to which law enforcement agencies comply or fail to comply with this law and shall analyze the reasons for lack of compliance where it exists.

By January 15, 1995, the superintendent shall submit a report to the chair of the house judiciary committee and the chair of the senate crime prevention committee. The report shall contain the superintendent's findings and shall make recommendations for improving the accuracy, comprehensiveness, and timeliness of finger and thumb print data collection within the criminal justice system.

Sec. 37. [CRIMINAL ALERT NETWORK.]

Subdivision 1. [PLAN.] The commissioner of public safety, in cooperation with the commissioner of administration, shall develop a plan for an integrated criminal alert network to facilitate the communication of crime prevention information by electronic means among state agencies, law enforcement officials, and the private sector. The plan shall identify ways to disseminate data regarding the commission of crime, including information on missing and endangered children. In addition, the plan shall consider methods of reducing theft and other crime by the use of electronic transmission of information. In developing the plan, the commissioner shall consider the efficacy of existing means of transmitting information about crime and evaluate the following means of information transfer: existing state computer networks, INTERNET, and fax machines, including broadcast fax procedures.

Subd. 2. [REPORT.] The commissioner shall report to the legislature by January 1, 1995, concerning the details of the plan.

Sec. 38. [GANG RESISTANCE EDUCATION TRAINING; PILOT PROGRAMS.]

Subdivision 1. [TRAINING PROGRAM.] The Bureau of Criminal Apprehension shall develop a pilot program to train peace officers to teach the gang resistance education training (GREAT) curriculum in middle schools. The training program must be approved by the commissioner of public safety.

Subd. 2. [GRANTS.] Law enforcement agencies and school districts may apply to the commissioner of public safety for grants to enable peace officers to undergo the training described in subdivision 1. Grants may be used to cover the cost of the training as well as reimbursement for actual, reasonable travel and living expenses incurred in connection with the training. The commissioner shall administer the program, shall promote it throughout the state, and is authorized to receive money from public and private sources for use in carrying it out.

Subd. 3. [REPORTS.] The commissioner may require grant recipients to account to the commissioner at reasonable time intervals regarding the use of grants and the training and programs provided.

Subd. 4. [EVALUATION.] The commissioners of public safety and education shall evaluate the success of the gang resistance education training pilot program and report conclusions and recommendations to the chairs of the house judiciary and education committees and the senate crime prevention and education committees by February 1, 1995.

Sec. 39. [PRETRIAL SERVICES.]

The conference of chief judges shall consider including within the pretrial services checklist:

(1) an evaluation of the proximity of the residences of the alleged offender and the victim, including whether the victim and defendant cohabituate or are close neighbors if the case involves criminal sexual conduct or domestic violence; and

(2) an attempt to contact the victim or victim's family to verify information on which the bail decision is based.

Sec. 40. [TRAINING FOR PROSECUTORS.]

The county attorneys association, in conjunction with the attorney general's office, shall prepare and conduct a training course for county attorneys and city attorneys to deal with the prosecution of bias-motivated crimes. The course may be combined with other training conducted by the county attorneys association or other groups.

Sec. 41. [REPEALER.]

Minnesota Statutes 1992, section 8.34, subdivision 2, is repealed.

Sec. 42. [EFFECTIVE DATE.]

Sections 7 and 30 are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 32, 36, and 40 are effective the day following final enactment.

ARTICLE 5**EXPLOSIVES & BLASTING AGENTS**

Section 1. Minnesota Statutes 1992, section 299F.72, is amended by adding a subdivision to read:

Subd. 1a. [BLASTING AGENT.] "Blasting agent" means any material or mixture (1) that consists of a fuel and oxidizer, (2) that is intended for blasting, (3) that is not otherwise classified as an explosive, (4) in which none of the ingredients is classified as an explosive, and (5) when a finished product, as mixed and packaged for use or shipment, that cannot be detonated by means of a number eight test blasting cap when unconfined. The term does not include flammable liquids or flammable gases.

Sec. 2. Minnesota Statutes 1992, section 299F.72, is amended by adding a subdivision to read:

Subd. 1b. [CRIME OF VIOLENCE.] "Crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes a domestic assault conviction when committed within the last three years or while an order for protection is active against the person, whichever period is longer.

Sec. 3. Minnesota Statutes 1992, section 299F.72, subdivision 2, is amended to read:

Subd. 2. [EXPLOSIVE.] "Explosive" means any chemical compound or mixture, or device, the primary or common purpose of which is to function by explosion; that is, with substantially instantaneous release of gas and heat; but

shall, unless the compound, mixture, or device is otherwise specifically classified by the United States Department of Transportation. The term does not mean or include the components for handloading rifle, pistol, and shotgun ammunition, and/or rifle, pistol and shotgun ammunition, black powder, smokeless powder, primers, and fuses when used for ammunition and components for antique or replica muzzleloading rifles, pistols, muskets, shotguns, and cannons; or when possessed or used for rifle, pistol, and shotgun ammunition, nor does it include fireworks as defined in section 624.20; nor shall it include any fertilizer product possessed, used or sold solely for a legitimate agricultural, forestry, conservation, or horticultural purpose.

Sec. 4. Minnesota Statutes 1992, section 299F.73, is amended to read:

299F.73 [LICENSE REQUIRED.]

Subdivision 1. [MANUFACTURE, ASSEMBLY, OR STORAGE OF EXPLOSIVES.] No person shall manufacture, assemble, warehouse or store explosives *or blasting agents* for purposes of wholesale or retail sale, or for any other purpose other than for ultimate consumption without being licensed to do so by the commissioner of public safety.

Subd. 2. [APPLICATION.] In order to obtain the license herein required such person shall make application to the commissioner of public safety. The application shall be on forms provided by the commissioner of public safety and shall require such information as the commissioner deems necessary including but not limited to the name, address, age, experience and knowledge of the applicant in the use, handling, and storage of explosives *and explosive devices or blasting agents*, and whether the applicant is a person to whom no such license may be issued pursuant to section 299F.77. The commissioner of public safety may refuse to issue a license to any person who does not have sufficient knowledge of the use, handling, or storage of explosives *or blasting agents* to protect the public safety. Any person aggrieved by the denial of a license may request a hearing before the commissioner of public safety. The provisions of sections 14.57 to 14.69 shall apply to such hearing and subsequent proceedings, if any.

Sec. 5. Minnesota Statutes 1992, section 299F.74, is amended to read:

299F.74 [PERMIT REQUIRED FOR POSSESSION OR USE.]

No person shall possess explosives *or blasting agents*, unless said person shall have obtained a valid license as provided in section 299F.73, or unless said person shall have obtained a valid permit for the use of explosives *or blasting agents* as hereinafter provided. The transportation of an explosive *or blasting agent* by a common carrier for hire shall not be deemed to be possession of an explosive *or blasting agent* for purposes of this section.

Sec. 6. Minnesota Statutes 1992, section 299F.75, is amended to read:

299F.75 [PERMIT APPLICATION.]

Subdivision 1. [REQUIREMENT.] Any person desiring to possess explosives *or blasting agents*, other than a person licensed as provided in section 299F.73, shall make application for a permit for the use of explosives *or blasting agents* to the appropriate local sheriff or chief of police of a *statutory or home rule charter* city of the first, second or third class, or such other

person as is designated by the commissioner of public safety, on a standardized form provided by the commissioner of public safety.

Subd. 2. [CONTENTS.] The application shall require the applicant's name, address, purpose for acquiring explosives or *blasting agents*, place of intended acquisition, quantity required, place and time of intended use, place and means of storage until such use and whether the applicant is a person to whom no such permit may be issued pursuant to section 299F.77. *Issuing authorities may request a certificate from the applicant regarding the applicant's knowledge in the use, handling, and storage of explosives and blasting agents, and may refuse to issue a permit to any person who does not have sufficient knowledge to protect the public safety.* Any person aggrieved by the denial of a permit may request a hearing before the commissioner of public safety. The provisions of sections 14.57 to 14.69 shall apply to such hearings and subsequent proceedings, if any.

Subd. 3. [NOTICE.] Prior to the storage or use of explosives or *blasting agents*, the applicant shall notify the appropriate local fire official and law enforcement agency.

Sec. 7. Minnesota Statutes 1992, section 299F.77, is amended to read:

299F.77 [ISSUANCE TO CERTAIN PERSONS PROHIBITED.]

The following persons shall not be entitled to receive an explosives license or permit:

(a) Any person who within the past five years has been convicted of a felony or gross misdemeanor involving moral turpitude, is on parole or probation therefor, or is currently under indictment for any such crime a person under the age of 18 years;

(b) Any person with mental illness or mental retardation as defined in section 253B.02 who has been confined or committed in Minnesota or elsewhere for mental illness or mental retardation to any hospital, mental institution or sanitarium, or who has been certified by a medical doctor as being mentally ill or mentally retarded, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability a person who has been convicted in this state or elsewhere of a crime of violence, as defined in section 299F.72, subdivision 1b, unless ten years have elapsed since the person's civil rights have been restored or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions that would have been crimes of violence if they had been committed in this state;

(c) Any person who is or has been hospitalized or committed for treatment for the habitual use of a narcotic drug, as defined in section 152.01, subdivision 10 or a controlled substance, as defined in section 152.01, subdivision 4, or who has been certified by a medical doctor as being addicted to narcotic drugs or depressant or stimulant drugs, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person, as defined in section 253B.02, to a treatment

facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person is no longer suffering from this disability;

(d) Any person who by reason of the habitual and excessive use of intoxicating liquors is incapable of self-management or management of personal affairs and who has been confined or committed to any hospital, or treatment facility in this state or elsewhere as a "chemically dependent person" as defined in section 253B.02, or who has been certified by a medical doctor as being addicted to alcohol, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years; and

(e) Any person under the age of 18 years a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent," as defined in section 253B.02, unless the person has completed treatment.

Sec. 8. Minnesota Statutes 1992, section 299F.78, subdivision 1, is amended to read:

Subdivision 1. **[REQUIREMENTS TO TRANSFER TRANSFERRING EXPLOSIVES OR BLASTING AGENTS.]** No person shall transfer explosives or blasting agents to another unless the transferee shall display to the transferor a copy of a valid license or use permit and proper identification, and unless said transferee shall present to the transferor a signed standardized form provided by the commissioner of public safety, acknowledging receipt of the quantity of explosives or blasting agents transferred, the identifying numbers of the same explosives, or if none, the identifying numbers of the primary container from which the same explosives or blasting agents were distributed, and the serial number of the use permit displayed, which receipt shall be kept among the transferor's records until authorized to dispose of it by the state fire marshal.

Sec. 9. [299F.785] [BLACK POWDER.]

No person shall manufacture, assemble, warehouse, or store black powder for purposes of wholesale or retail sale without being licensed to do so by the commissioner of public safety. The license shall be as prescribed by section 299F.73, subdivision 2. Persons who purchase more than five pounds of black powder shall provide suitable identification to the licensee and the licensee shall record the person's name and date of birth, date of purchase, and amount purchased. Additional information may be required by the commissioner. The records maintained by the licensee must be open to the inspection of any peace officer acting in the normal course of duties. Persons shall notify the appropriate local fire official before storing more than five pounds of black powder.

Sec. 10. Minnesota Statutes 1992, section 299F.79, is amended to read:

299F.79 [UNAUTHORIZED POSSESSION WITH INTENT OF COMPONENTS; PENALTY.]

Whoever possesses one or more of the components necessary to manufacture or assemble explosives *or blasting agents*, with the intent to manufacture or assemble explosives *or blasting agents*, unless said person shall have a valid license or permit as provided by sections 299F.73 and 299F.75, may be sentenced to imprisonment for not more than five years *or payment of a fine of not more than \$10,000, or both.*

Sec. 11. Minnesota Statutes 1992, section 299F.80, is amended to read:

299F.80 [UNAUTHORIZED POSSESSION OF EXPLOSIVES WITHOUT PERMIT OR BLASTING AGENTS; PENALTY.]

Subdivision 1. [POSSESSION WITHOUT LICENSE OR PERMIT.] Except as provided in subdivision 2, whoever possesses explosives *or blasting agents* without a valid license or permit may be sentenced to imprisonment for not more than five years *or payment of a fine of not more than \$10,000, or both.*

Subd. 2. [POSSESSION FOR LEGITIMATE PURPOSES; PENALTY.] Whoever possesses ~~dynamite or other~~ explosives *or blasting agents* commonly used for agricultural, forestry, conservation, industry or mining purposes, without a valid license or permit, with intent to use the same for legitimate agricultural, forestry, conservation, industry or mining purposes, and in only such quantities as are reasonably necessary for such intended use, may be sentenced to imprisonment for not more than 90 days or to a payment of a fine of not more than ~~\$300~~ \$700, or both.

Sec. 12. Minnesota Statutes 1992, section 299F.82, is amended to read:

299F.82 [ILLEGAL TRANSFER.]

Subdivision 1. [PENALTY.] Except as provided in subdivision 2, whoever illegally transfers an explosive *or blasting agent* to another may be sentenced to imprisonment for not more than five years *or payment of a fine of not more than \$10,000, or both.*

Subd. 2. [PENALTY; LEGITIMATE PURPOSES.] Whoever illegally transfers ~~dynamite or other~~ explosives *or blasting agents* commonly used for agricultural, forestry, conservation, industry or mining purposes to another, personally known to the ~~transferor~~ transferor, in the belief that the same shall be used for legitimate agricultural, forestry, conservation, industry or mining purposes, and in only such quantities as are reasonably necessary for such believed use, may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$300~~ \$700, or both.

Sec. 13. Minnesota Statutes 1992, section 299F.83, is amended to read:

299F.83 [NEGLIGENT DISCHARGE.]

Whoever, acting with gross disregard for human life or property, negligently causes an explosive, ~~explosive device, or incendiary device,~~ *or blasting agent* to be discharged may be sentenced to imprisonment for not more than ten years *or payment of a fine of not more than \$20,000, or both.*

Sec. 14. [299F.831] [HANDLING WHILE INFLUENCED BY ALCOHOL OR DRUG.]

Subdivision 1. [PROHIBITION.] A person shall not handle or use explosives or blasting agents while under the influence of alcohol or controlled substances as defined by section 169.121, subdivision 1.

Subd. 2. [PENALTY.] Whoever handles or uses an explosive or blasting agent while under the influence of alcohol or a controlled substance is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or payment of a fine of not more than \$700, or both.

Sec. 15. [609.668] [EXPLOSIVE AND INCENDIARY DEVICES.]

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

(a) "Explosive device" means a device so articulated that an ignition by fire, friction, concussion, chemical reaction, or detonation of any part of the device may cause such sudden generation of highly heated gases that the resultant gaseous pressures are capable of producing destructive effects. Explosive devices include, but are not limited to, bombs, grenades, rockets having a propellant charge of more than four ounces, mines, and fireworks modified for other than their intended purpose. The term includes devices that produce a chemical reaction that produces gas capable of bursting its container and producing destructive effects. The term does not include firearms ammunition.

(b) "Incendiary device" means a device so articulated that an ignition by fire, friction, concussion, detonation, or other method may produce destructive effects primarily through combustion rather than explosion. The term does not include a manufactured device or article in common use by the general public that is designed to produce combustion for a lawful purpose, including but not limited to matches, lighters, flares, or devices commercially manufactured primarily for the purpose of illumination, heating, or cooking. The term does not include firearms ammunition.

(c) "Crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes a domestic assault conviction when committed within the last three years or while an order for protection is active against the person, whichever period is longer.

Subd. 2. [POSSESSION BY CERTAIN PERSONS PROHIBITED.] The following persons are prohibited from possessing or reporting an explosive device or incendiary device:

(a) a person under the age of 18 years;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person's civil rights have been restored or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions that would have been crimes of violence if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person, as defined in section 253B.02, to a treatment

facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent," as defined in section 253B.02, unless the person has completed treatment; and

(f) a peace officer who is informally admitted to a treatment facility under section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility.

A person who in good faith issues a certificate to a person described in this subdivision to possess or use an incendiary or explosive device is not liable for damages resulting or arising from the actions or misconduct with an explosive or incendiary device committed by the individual who is the subject of the certificate.

Subd. 3. [USES PERMITTED.] (a) The following persons may own or possess an explosive device or incendiary device provided that subdivision 4 is complied with:

- (1) law enforcement officers for use in the course of their duties;
- (2) fire department personnel for use in the course of their duties;
- (3) corrections officers and other personnel at correctional facilities or institutions when used for the retention of persons convicted or accused of crime;
- (4) persons possessing explosive devices or incendiary devices that although designed as devices have been determined by the commissioner of public safety or the commissioner's delegate, by reason of the date of manufacture, value, design, or other characteristics, to be a collector's item, relic, museum piece, or specifically used in a particular vocation or employment, such as the entertainment industry; and
- (5) dealers and manufacturers who are federally licensed or registered.

(b) Persons listed in paragraph (a) shall also comply with the federal requirements for the registration and licensing of destructive devices.

Subd. 4. [REPORT REQUIRED.] (a) Before owning or possessing an explosive device or incendiary device as authorized by subdivision 3, a person shall file a written report with the department of public safety showing the person's name and address; the person's title, position, and type of employment; a description of the explosive device or incendiary device sufficient to enable identification of the device; the purpose for which the device will be

owned or possessed; the federal license or registration number, if appropriate; and other information as the department may require.

(b) Before owning or possessing an explosive device or incendiary device, a dealer or manufacturer shall file a written report with the department of public safety showing the name and address of the dealer or manufacturer; the federal license or registration number, if appropriate; the general type and disposition of the device; and other information as the department may require.

Subd. 5. [EXCEPTIONS.] This section does not apply to:

(1) members of the armed forces of either the United States or the state of Minnesota when for use in the course of duties;

(2) educational institutions when the devices are manufactured or used in conjunction with an official education course or program;

(3) propellant-actuated devices, or propellant-actuated industrial tools manufactured, imported, or distributed for their intended purpose;

(4) items that are neither designed or redesigned for use as explosive devices or incendiary devices;

(5) governmental organizations using explosive devices or incendiary devices for agricultural purposes or control of wildlife;

(6) governmental organizations using explosive devices or incendiary devices for official training purposes or as items retained as evidence; or

(7) arsenals, navy yards, depots, or other establishments owned by, or operated by or on behalf of, the United States.

Subd. 6. [ACTS PROHIBITED; PENALTIES.] (a) Except as otherwise provided in this section, whoever possesses, manufactures, transports, or stores an explosive device or incendiary device in violation of this section may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) Whoever legally possesses, manufactures, transports, or stores an explosive device or incendiary device, with intent to use the device to damage property or cause injury, may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(c) Whoever, acting with gross disregard for human life or property, negligently causes an explosive device or incendiary device to be discharged, may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both.

Subd. 7. [INITIAL REPORTING.] All persons have 60 days from the effective date of this section to report explosive devices and incendiary devices to the department of public safety.

Sec. 16. Minnesota Statutes 1993 Supplement, section 609.902, subdivision 4, is amended to read:

Subd. 4. [CRIMINAL ACT.] "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 297D.09; 299F.79; 299F.80; ~~299F.811; 299F.815;~~ 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222;

609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.323; 609.342; 609.343; 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (3)(b) or clause 3(d)(v) or (vi); section 609.52, subdivision 2, clause (4); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86; 624.713; or 624.74. "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16) if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

Sec. 17. Minnesota Statutes 1992, section 624.21, is amended to read:

624.21 [SALE, POSSESSION, AND USE OF FIREWORKS PROHIBITED.]

Except as otherwise provided in sections 624.20 to 624.25, it shall be unlawful for any person to offer for sale, expose for sale, sell at retail or wholesale, possess, advertise, use, or explode any fireworks. This section shall not be construed to prohibit the possession, use, or explosion of fireworks by an engineer licensed pursuant to sections 326.02 and 326.03 or a person under the engineer's direct supervision when undertaking acoustical testing; or sales at wholesale to those persons holding valid permits for a fireworks display from a governmental subdivision of the state; or sales outside the state or sales to licensed professional engineers for acoustical testing purposes only.

Sec. 18. [REPEALER.]

Minnesota Statutes 1992, sections 299F.71; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; and 299F.815, subdivision 2; Minnesota Statutes 1993 Supplement, sections 299F.811; and 299F.815, subdivision 1, are repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective August 1, 1994, and apply to crimes committed on or after that date.

ARTICLE 6

CORRECTIONS

Section 1. Minnesota Statutes 1993 Supplement, section 241.021, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] (1) The commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization

legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall ~~annually~~ review the correctional facilities described in this subdivision *at least once every biennium*, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. *The commissioner may grant licensure up to two years.* The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. The commissioner may require that any or all such information be provided through the department of corrections detention information system.

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component; the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional

power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 2. Minnesota Statutes 1992, section 241.021, subdivision 2, is amended to read:

Subd. 2. [FOSTER CARE FACILITIES FOR DELINQUENT CHILDREN AND YOUTH; LICENSES; SUPERVISION.] Notwithstanding any provisions in sections 256.01, subdivision 2, clause (2), 245A.03, and 245A.04, to the contrary, the commissioner of corrections shall ~~pass annually on the adequacy and suitability of review~~ all county, municipal or other publicly established and operated facilities for the detention, care and training of delinquent children and youth *at least once every biennium*, if such facility conforms to reasonable standards established by the commissioner or in the commissioner's judgment is making satisfactory progress toward substantial conformity therewith, and the commissioner is satisfied that the interests and well-being of children and youth received therein are protected, the commissioner shall grant a license to the county, municipality or agency thereof operating such facility. ~~This license shall remain in force one year unless sooner revoked. The commissioner may grant licensure up to two years.~~ Each such facility shall cooperate with the commissioner to make available all facts regarding its operation and services as the commissioner requires to determine its conformance to standards and its competence to give the services needed and which purports to give. Every such facility as herein described is subject to visitation and supervision by the commissioner and shall receive from the commissioner consultation as needed to strengthen services to the children and youth received therein.

Sec. 3. Minnesota Statutes 1992, section 241.26, subdivision 7, is amended to read:

Subd. 7. [PAYMENT OF BOARD AND ROOM.] The commissioner shall determine the amount to be paid for board and room by such work placement inmate. When special circumstances warrant or for just and reasonable cause, the commissioner may waive the payment by the inmate of board and room charges ~~and report such waivers to the commissioner of finance.~~

Where a work placement inmate is housed in a jail or workhouse, such board and room revenue shall be paid over to such city or county official as provided for in subdivision 2, provided however, that when payment of board and room has been waived, the commissioner shall make such payments from funds appropriated for that purpose.

Sec. 4. [241.275] [PRODUCTIVE DAY INITIATIVE PROGRAMS; CORRECTIONAL FACILITIES; HENNEPIN, RAMSEY, AND ST. LOUIS COUNTIES.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The counties of Hennepin, Ramsey, and St. Louis shall each establish a productive day initiative program in their correctional facilities as described in this section. The productive day program shall be designed to motivate inmates in local correctional facilities to develop basic life and work skills through training and education, thereby creating opportunities for inmates on release to achieve more successful integration into the community.

Subd. 2. [PROGRAM COMPONENTS.] The productive day initiative programs shall include components described in paragraphs (a) to (c).

(a) *The initiative programs shall contain programs designed to promote the inmate's self-esteem, self-discipline, and economic self-sufficiency by providing structured training and education with respect to basic life skills, including hygiene, personal financial budgeting, literacy, and conflict management.*

(b) *The programs shall contain individualized educational, vocational, and work programs designed to productively occupy an inmate for at least eight hours a day.*

(c) *The program administrators shall develop correctional industry programs, including marketing efforts to attract work opportunities both inside correctional facilities and outside in the community. Program options may include expanding and reorganizing on-site industry programs, locating off-site industry work areas, and community service work programs. To develop innovative work programs, program administrators may enlist members of the business and labor community to help target possible productive enterprises for inmate work programs.*

(d) *Whenever inmates are assigned to work within the correctional facility or with any state department or agency, local unit of government, or other government subdivision, the program administrator must certify to the appropriate bargaining agent that work performed by inmates will not result in the displacement of current employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of work other than overtime work, wages, or other employment benefits.*

Subd. 3. [ELIGIBILITY.] The administrators of each productive day program shall develop criteria for inmate eligibility for the program.

Subd. 4. [EVALUATION.] The administrators of each of the productive day initiative programs shall develop program evaluation tools to monitor the success of the programs.

Subd. 5. [REPORT.] Hennepin, Ramsey, and St. Louis counties shall each report results of their evaluations to the chairs of the house judiciary finance division and the senate crime prevention finance division by July 1, 1996.

Sec. 5. Minnesota Statutes 1993 Supplement, section 242.51, is amended to read:

242.51 [THE MINNESOTA CORRECTIONAL FACILITY-SAUK CENTRE.]

There is established the Minnesota correctional facility-Sauk Centre at Sauk Centre, Minnesota, in which may be placed persons committed to the commissioner of corrections by the courts of this state who, in the opinion of the commissioner, may benefit from the programs available thereat. The general control and management of the facility shall be under the commissioner of corrections.

The commissioner shall charge counties or other appropriate jurisdictions for the actual per diem cost of confinement of juveniles at the Minnesota correctional facility-Sauk Centre.

The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. All money received under this section must be deposited to the general fund.

Sec. 6. Minnesota Statutes 1992, section 243.05, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONAL RELEASE.] The commissioner of corrections may parole any person sentenced to confinement in any state correctional facility for adults under the control of the commissioner of corrections, provided that:

(a) no inmate serving a life sentence for committing murder before May 1, 1980, other than murder committed in violation of clause (1) of section 609.185 who has not been previously convicted of a felony shall be paroled without having served 20 years, less the diminution that would have been allowed for good conduct had the sentence been for 20 years;

(b) no inmate serving a life sentence for committing murder before May 1, 1980, who has been previously convicted of a felony or though not previously convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) of section 609.185 shall be paroled without having served 25 years, less the diminution which would have been allowed for good conduct had the sentence been for 25 years;

(c) any inmate sentenced prior to September 1, 1963, who would be eligible for parole had the inmate been sentenced after September 1, 1963, shall be eligible for parole; and

(d) any new rule or policy or change of rule or policy adopted by the commissioner of corrections which has the effect of postponing eligibility for parole has prospective effect only and applies only with respect to persons committing offenses after the effective date of the new rule or policy or change. Upon being paroled and released, an inmate is and remains in the legal custody and under the control of the commissioner, subject at any time to be returned to a facility of the department of corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by the commissioner. The written order of the commissioner of corrections, is sufficient authority for any peace officer or state parole and probation agent to retake and place in actual custody any person on parole or supervised release, but any state parole and probation agent may, without order of warrant, when it appears necessary in order to prevent escape or enforce discipline, take and detain a parolee or person on supervised release or work release to the commissioner for action. The written order of the commissioner of corrections is sufficient authority for any peace officer or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135, but any state parole and probation agent may, without an order, when it appears necessary in order to prevent escape or enforce discipline, retake and detain a probationer and bring the probationer before the court for further proceedings under section 609.14. Persons conditionally released, and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or outside the boundaries of the state at the discretion of the commissioner of corrections or the court, and the limits fixed for these persons may be enlarged or reduced according to their conduct.

Except as otherwise provided in subdivision 1b, in considering applications for conditional release or discharge, the commissioner is not required to hear oral argument from any attorney or other person not connected with an adult correctional facility of the department of corrections in favor of or against the parole or release of any inmates, but the commissioner may institute inquiries

by correspondence, taking testimony or otherwise, as to the previous history, physical or mental condition, and character of the inmate, and to that end shall have authority to require the attendance of the chief executive officer of any state adult correctional facility and the production of the records of these facilities, and to compel the attendance of witnesses. The commissioner is authorized to administer oaths to witnesses for these purposes.

Sec. 7. Minnesota Statutes 1992, section 243.05, is amended by adding a subdivision to read:

Subd. 1a. [DETENTION OF FELONS WHO FLEE PENDING SENTENCING.] The commissioner of corrections shall assist law enforcement agencies in locating and taking into custody any person who has been convicted of a felony for which a prison sentence is presumed under the sentencing guidelines and applicable statutes, and who absconds pending sentencing in violation of the conditions of release imposed by the court under rule 27.01 of the Rules of Criminal Procedure. The written order of the commissioner of corrections is sufficient authority for any state parole and probation agent to take the person into custody without a warrant and to take the person before the court without further delay.

Sec. 8. Minnesota Statutes 1992, section 243.05, is amended by adding a subdivision to read:

Subd. 1b. [VICTIM'S RIGHTS.] (a) This subdivision applies to parole decisions relating to inmates convicted of first degree murder who are described in subdivision 1, clauses (a) and (b). As used in this subdivision, "victim" means the murder victim's surviving spouse or next of kin.

(b) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's parole review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be paroled at that time. The commissioner must consider the victim's statement when making the parole decision.

Sec. 9. Minnesota Statutes 1992, section 243.18, subdivision 1, is amended to read:

Subdivision 1. [GOOD TIME REDUCTION OF SENTENCE.] Every inmate sentenced before May 1, 1980, for any term other than life, confined in a state adult correctional facility or on parole therefrom, may diminish the maximum term of sentence one day for each two days during which the inmate has not violated any facility rule or discipline.

The commissioner of corrections, in view of the aggravated nature and frequency of offenses, may take away any or all of the good time previously gained, and, in consideration of mitigating circumstances or ignorance on the part of the inmate, may afterwards restore the inmate, in whole or in part, to the standing the inmate possessed before such good time was taken away.

Sec. 10. Minnesota Statutes 1993 Supplement, section 243.18, subdivision 2, is amended to read:

Subd. 2. [SANCTION FOR FAILURE TO WORK REQUIRED; GOOD TIME.] This subdivision applies only to inmates whose crimes were committed before August 1, 1993. All inmates are required to work. An inmate for

~~whom a~~ who fails to perform an available work assignment is available may shall be sanctioned either by not ~~earn~~ earning good time under subdivision 1 or by serving a disciplinary confinement period, as appropriate, for any day on which the inmate does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.

Sec. 11. Minnesota Statutes 1992, section 243.23, subdivision 2, is amended to read:

Subd. 2. The commissioner may promulgate rules requiring the inmates of adult correctional facilities under the commissioner's control to pay all or a part of the cost of their board, room, clothing, medical, dental and other correctional services. These costs are payable from any earnings of the inmate, including earnings from private industry established at state correctional facilities pursuant to section 243.88. *All sums of money received pursuant to the payments made for correctional services as authorized in this subdivision are available for use by the commissioner during the current and subsequent fiscal year, and are appropriated to the commissioner of corrections for the purposes of the fund from which the earnings were paid.*

Sec. 12. Minnesota Statutes 1992, section 243.24, subdivision 1, is amended to read:

Subdivision 1. [SOLE BENEFIT OF INMATE.] Any money arising under section 243.23 shall be and remain under the control of the commissioner of corrections and shall be for the sole benefit of the inmate, unless by special order of the commissioner of corrections it shall be used as designated in section 243.23, ~~subdivision~~ subdivisions 2 and 3, or for rendering assistance to the inmate's family or dependent relatives, under such rules as to time, manner, and amount of disbursements as the commissioner of corrections may prescribe. Unless ordered disbursed as hereinbefore prescribed or for an urgency determined in each case by the chief executive officer of the facility, a portion of such earnings in an amount to be determined by the commissioner shall be set aside and kept by the facility in the public welfare fund of the state for the benefit of the inmate and for the purpose of assisting the inmate when leaving the facility and if released on parole said sum to be disbursed to the inmate in such amounts and at such times as the commissioner of corrections may authorize and on final discharge, if any portion remains undisbursed, it shall be transmitted to the inmate.

Sec. 13. Minnesota Statutes 1993 Supplement, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] (a) The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (5), or (6); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) *The commissioner shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement*

personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(c) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The commissioner must consider the victim's statement when making the supervised release decision.

(d) As used in this subdivision, "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

Sec. 14. Minnesota Statutes 1992, section 244.09, subdivision 11, is amended to read:

Subd. 11. [MODIFICATION.] The commission shall meet as necessary for the purpose of modifying and improving the guidelines. Any modification which amends the sentencing guidelines grid, including severity levels and criminal history scores, or which would result in the reduction of any sentence or in the early release of any inmate, with the exception of a modification mandated or authorized by the legislature or relating to a crime created or amended by the legislature in the preceding session, shall be submitted to the legislature by January 1 of any year in which the commission wishes to make the change and shall be effective on August 1 of that year, unless the legislature by law provides otherwise. All other modifications shall take effect according to the procedural rules of the commission. On or before January 1 of each year, the commission shall submit a written report to the ~~judiciary~~ committees of the senate and the house of representatives ~~with jurisdiction over criminal justice policy~~ that identifies and explains all modifications made during the preceding 12 months and all proposed modifications that are being submitted to the legislature that year.

Sec. 15. Minnesota Statutes 1992, section 244.12, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The commissioner may order that an offender who meets the eligibility requirements of subdivisions 2 and 3 be placed on intensive community supervision, as described in sections 244.14 and 244.15, for all or part of the offender's sentence if the offender agrees to participate in the program and ~~if the commissioner notifies the sentencing court approves in writing of the offender's participation in the program.~~

Sec. 16. Minnesota Statutes 1992, section 244.12, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] The commissioner must limit the intensive community supervision program to the following persons:

(1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

(2) offenders who are committed to the commissioner's custody for a sentence of ~~27~~ 30 months or less, who did not receive a dispositional departure

under the sentencing guidelines, and who have already served a period of incarceration as a result of the offense for which they are committed.

Sec. 17. Minnesota Statutes 1992, section 244.13, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner of corrections shall establish programs for those designated by the commissioner to serve all or part of a sentence on intensive community supervision or all or part of a supervised release or parole term on intensive supervised release. The adoption and modification of policies and procedures to implement sections 244.05, subdivision 6, and 244.12 to 244.15 are not subject to the rulemaking procedures of chapter 14. The commissioner shall locate the programs so that at least one-half of the money appropriated for the programs in each year is used for programs in community corrections act counties. In awarding contracts for intensive supervision programs in community corrections act counties, the commissioner shall give first priority to programs that utilize county employees as intensive supervision agents and shall give second priority to programs that utilize state employees as intensive supervision agents. The commissioner may award contracts to other providers in community corrections act counties only if doing so will result in a significant cost savings or a significant increase in the quality of services provided, and only after notifying the chairs of the ~~judiciary~~ committees in the senate and house of representatives *with jurisdiction over criminal justice policy*.

Sec. 18. Minnesota Statutes 1992, section 244.13, subdivision 3, is amended to read:

Subd. 3. [EVALUATION.] The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the intensive community supervision and intensive supervised release programs and shall compile a report to the chairs of the *committees in the senate and house* ~~judiciary committees~~ *of representatives with jurisdiction over criminal justice policy* by January 1 of each odd-numbered year.

Sec. 19. Minnesota Statutes 1992, section 244.15, subdivision 4, is amended to read:

Subd. 4. [FACE-TO-FACE CONTACTS.] (a) During phase I, the assigned intensive supervision agent shall have at least four face-to-face contacts with the offender each week.

(b) During phase II, two face-to-face contacts a week are required.

(c) During phase III, one face-to-face contact a week is required.

(d) During phase IV, two face-to-face contacts a month are required.

(e) *When an offender is an inmate of a jail or a resident of a facility which is staffed full time, the assigned agent may reduce face-to-face contacts to one per week during all phases.*

Sec. 20. Minnesota Statutes 1992, section 244.172, subdivision 3, is amended to read:

Subd. 3. [PHASE III.] ~~Phase III lasts for the remainder of the offender's sentence. During phase III, the commissioner shall place the offender on supervised release under section 244.05, continues until the commissioner determines that the offender has successfully completed the program or until~~

the offender's sentence, minus jail credit, expires, whichever comes first. If an offender successfully completes phase III of the challenge incarceration program before the offender's sentence expires, the offender shall be placed on supervised release for the remainder of the sentence. The commissioner shall set the level of the offender's supervision based on the public risk presented by the offender.

Sec. 21. Minnesota Statutes 1992, section 244.173, is amended to read:

244.173 [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

~~The commissioner shall file a report with the house and senate judiciary committees by September 1, 1992, which sets forth with specificity the program's design.~~ The commissioner shall also develop a system for gathering and analyzing information concerning the value and effectiveness of the challenge incarceration program. The commissioner shall report to the ~~legislature committees of the house of representatives and senate with jurisdiction over criminal justice policy~~ by January 1, 1996, on the operation of the program.

Sec. 22. Minnesota Statutes 1992, section 299A.35, subdivision 3, is amended to read:

Subd. 3. [REPORT.] An applicant that receives a grant under this section shall provide the commissioner with a summary of how the grant funds were spent and the extent to which the objectives of the program were achieved. The commissioner shall submit a written report to the ~~legislature chairs of the committees of the senate and house of representatives with jurisdiction over criminal justice policy and funding of crime prevention programs~~, by February 1 each year, based on the information provided by applicants under this subdivision.

Sec. 23. Minnesota Statutes 1993 Supplement, section 401.13, is amended to read:

401.13 [CHARGES MADE TO COUNTIES.]

Each participating county will be charged a sum equal to the actual per diem cost of confinement of those juveniles committed to the commissioner after August 1, 1973, and confined in a state correctional facility. *Provided, however, that the amount charged a participating county for the costs of confinement shall not exceed the subsidy to which the county is eligible.* The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. *However, in no case shall the percentage increase in the amount charged to the counties exceed the percentage by which the appropriation for the purposes of sections 401.01 to 401.16 was increased over the preceding biennium.* The commissioner of corrections shall bill the counties and deposit the receipts from the counties in the general fund. All charges shall be a charge upon the county of commitment.

Sec. 24. Minnesota Statutes 1992, section 484.74, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] This section applies only to the second and fourth judicial districts, which will serve as pilot projects to evaluate the effectiveness of alternative forms of resolving commercial and personal injury

disputes. The state court administrator shall evaluate the pilot projects and report the findings to the chairs of the house and senate judiciary committees by January 15, 1991, in the case of the fourth judicial district and by January 15, 1992, in the case of the second judicial district.

Sec. 25. Minnesota Statutes 1992, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor or gross misdemeanor, the court may, and when the defendant has been convicted of a felony, the court shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused by it to others and to the community. At the request of the prosecutor in a gross misdemeanor case, the court shall order that a presentence investigation and report be prepared. When the crime is a felony violation of chapter 152 involving the sale or distribution of a controlled substance, the report shall include a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed.

The report shall also include the information relating to crime victims required under section 611A.037, subdivision 1. If the court directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed. In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. The worksheet shall be submitted as part of the presentence investigation report.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections. The officer conducting the presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the information required under section 611A.037, subdivision 2.

When a person is convicted of a felony for which the sentencing guidelines presume that the defendant will be committed to the commissioner of corrections under an executed sentence and no motion for a sentencing departure has been made by counsel, the court may, *when there is no space available in the local correctional facility*, commit the defendant to the custody of the commissioner of corrections, pending completion of the presentence investigation and report. When a defendant is convicted of a felony for which the sentencing guidelines do not presume that the defendant will be committed to the commissioner of corrections, or for which the sentencing guidelines presume commitment to the commissioner but counsel has moved for a sentencing departure, the court may commit the defendant to the commissioner with the consent of the commissioner, pending completion of the presentence investigation and report. The ~~commissioner~~ *county of commitment* shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in

accordance with this section, section 244.10, and the rules of criminal procedure.

Sec. 26. Minnesota Statutes 1992, section 631.425, subdivision 6, is amended to read:

Subd. 6. [REDUCTION OF SENTENCE.] The term of the inmate's sentence ~~may be reduced by one fourth, if in the opinion of the court the inmate's conduct, diligence, and general attitude merit reduction, whether the term is part of an executed sentence or is imposed as a condition of probation, shall, when ten days or more, be reduced by one day for each two days served, commencing on the day of arrival, during which the inmate has not violated any rule or discipline of the place within which the person is incarcerated and, if required to labor, has labored with diligence and fidelity.~~

Sec. 27. Minnesota Statutes 1992, section 642.09, is amended to read:

642.09 [INSPECTION; AGENT OF A BOARD OF HEALTH, SHERIFF.]

The agent of a board of health as authorized under section 145A.04 of every city having a lockup shall inspect the same once a year, with reference to its sanitary condition, make a written report thereof to the commissioner of corrections upon blanks furnished by the commissioner, and deliver a copy of such report to the governing body of such city. Upon filing such report the authorized agent shall receive from the treasurer of such municipality a fee of \$5. The sheriff of any county in which a municipality maintains a lockup shall inspect such lockup ~~once a year at least once every biennium with the approval of the commissioner of corrections,~~ with reference to its security and administration, and make a written report thereof to the commissioner of corrections upon blanks furnished by the commissioner, and deliver a copy of such report to the governing body of the municipality maintaining such lockup. *The commissioner may grant licensure up to two years.*

Sec. 28. [APPLICATION.]

The intent of section 9 is to clarify the provisions of Minnesota Statutes, section 243.18, subdivision 1.

Sec. 29. Laws 1993, chapter 146, article 2, section 32, is amended to read:

Sec. 32. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment. Sections 15 and 18 are ~~effective July 1, 1994 of no effect.~~

Sec. 30. [INMATE MENTAL HEALTH TRAINING STUDY.]

Subdivision 1. [STUDY.] The commissioners of corrections and human services shall convene a group to evaluate current training programs and practices relating to appropriate identification, care, and treatment of inmates who are mentally ill for correctional staff who have direct contact with inmates. The study group shall determine whether current practices are appropriate and sufficient to help correctional staff identify and understand mental illness and treatment issues. By December 15, 1994, the study group shall:

(1) make a specific recommendation whether correctional staff who have direct contact with inmates should be required to attend continuing education on mental health issues; and

(2) develop a plan for addressing inmate mental health issues, including early intervention.

Subd. 2. [PARTICIPANTS.] In convening the study group, the commissioners shall include representatives of the following:

- (1) the ombudsman for corrections;
- (2) the ombudsman for mental health and mental retardation;
- (3) mental health experts;
- (4) mental health advocates;
- (5) inmate advocates; and
- (6) correctional officers.

Sec. 31. [INMATE HIV/AIDS TRAINING STUDY.]

Subdivision 1. [STUDY.] The commissioners of corrections and health shall convene a group to evaluate current training programs and practices relating to appropriate identification, care, and treatment of inmates who are affected with HIV/AIDS for correctional staff who have direct contact with inmates. The study group shall determine whether current practices are appropriate and sufficient to help correctional staff identify and understand HIV/AIDS issues. By December 15, 1994, the study group shall:

- (1) make a specific recommendation whether correctional staff who have direct contact with inmates should be required to attend continuing education on HIV/AIDS issues; and
- (2) develop a plan for addressing inmate HIV/AIDS issues, including prevention and education, early intervention, health care, release preparations, and risks of discrimination and harassing treatment.

Subd. 2. [PARTICIPANTS.] In convening the study group, the commissioners shall include representatives of the following:

- (1) the ombudsman for corrections;
- (2) HIV/AIDS advocates;
- (3) inmate advocates; and
- (4) correctional officers.

Sec. 32. [INMATE CONTRIBUTION TO COSTS OF CONFINEMENT.]

The commissioner of corrections shall make recommendations concerning requiring an inmate of a correctional facility under the commissioner's management and control who has assets exclusive of any child support and restitution obligations or victims' damages to contribute to the cost of the inmate's confinement. The commissioner shall submit recommendations to the chairs of the house of representatives judiciary committee and the senate crime prevention committee by December 15, 1994.

Sec. 33. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes shall renumber Minnesota Statutes 1992, section 243.18, subdivision 1 as section 244.04, subdivision 1a; and shall change the

headnote of Minnesota Statutes 1992, section 243.18 from "DIMINUTION OF SENTENCE" to "WORK REQUIRED."

(b) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall change the terms "correctional counselor" and "correctional guard" or "guard" to "correctional officer" wherever those terms appear in chapters 241, 243, and 244, in reference to employees of a state correctional facility.

Sec. 34. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 243.18, subdivision 3, is repealed.

Sec. 35. [EFFECTIVE DATE.]

Sections 30 and 31 are effective the day following final enactment.

ARTICLE 7

CRIME VICTIMS

Section 1. Minnesota Statutes 1992, section 611A.036, is amended to read:
611A.036 [PROHIBITION AGAINST EMPLOYER RETALIATION.]

An employer or employer's agent who threatens to discharge or discipline a victim or witness, or who discharges, disciplines, or causes a victim or witness to be discharged from employment or disciplined because the victim or the witness is subpoenaed or requested by the prosecutor to attend court for the purpose of giving testimony, is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to offer job reinstatement to any victim or witness discharged from employment in violation of this section, and to pay the victim or witness back wages as appropriate.

Sec. 2. [611A.0385] [SENTENCING; IMPLEMENTATION OF RIGHT TO NOTICE OF OFFENDER RELEASE.]

At the time of sentencing or the disposition hearing in a case in which there is an identifiable victim, the court or its designee shall make reasonable good faith efforts to inform each affected victim of the offender notice of release provisions of section 611A.06. If the victim is a minor, the court or its designee shall, if appropriate, also make reasonable good faith efforts to inform the victim's parent or guardian of the right to notice of release. The state court administrator, in consultation with the commissioner of corrections, shall prepare a form that outlines the notice of release provisions under section 611A.06 and describes how a victim should complete and submit a request to the commissioner of corrections or other custodial authority to be informed of an offender's release. The state court administrator shall make these forms available to court administrators who shall assist the court in disseminating right to notice of offender release information to victims.

Sec. 3. Minnesota Statutes 1993 Supplement, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to receive restitution as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender if the offender is

convicted or found delinquent. The court, or a person or agency designated by the court, shall request information from the victim to determine the amount of restitution owed. The court or its designee shall obtain the information from the victim in affidavit form or by other competent evidence. Information submitted relating to restitution must describe the items or elements of loss, itemize the total dollar amounts of restitution claimed, and specify the reasons justifying these amounts, if restitution is in the form of money or property. A request for restitution may include, but is not limited to, any out-of-pocket losses resulting from the crime, including medical and therapy costs, replacement of wages and services, and funeral expenses. *An actual or prospective civil action involving the alleged crime shall not be used by the court as a basis to deny a victim's right to obtain court ordered restitution under this section.* In order to be considered at the sentencing or dispositional hearing, all information regarding restitution must be received by the court administrator of the appropriate court at least three business days before the sentencing or dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender or the offender's attorney at least 24 hours before the sentencing or dispositional hearing. The issue of restitution may be reserved or the sentencing or ~~disposition~~ *dispositional hearing or hearing on the restitution request may be continued if the victim's affidavit or other competent evidence submitted by the victim is not received in time.* At the sentencing or dispositional hearing, the court shall give the offender an opportunity to respond to specific items of restitution and their dollar amounts *in accordance with the procedures established in section 611A.045, subdivision 3.*

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

(1) the offender is on probation, *committed to the commissioner of corrections, or on supervised release;*

(2) information regarding restitution was submitted as required under paragraph (a); and

(3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing, *or hearing on the restitution request.*

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution or partial restitution and shall state on the record its reasons for its decision on restitution if information relating to restitution has been presented. If the court grants partial restitution it shall also specify the full amount of restitution that may be docketed as a civil judgment under subdivision 3. The court may not require that the victim waive or otherwise forfeit any rights or causes of action as a condition of granting restitution or partial restitution. *In the case of a defendant who is on probation, the court may not refuse to enforce an order for restitution solely on the grounds that the order has been docketed as a civil judgment.*

Sec. 4. Minnesota Statutes 1992, section 611A.045, subdivision 3, is amended to read:

Subd. 3. [DISPUTE; EVIDENTIARY BURDEN; PROCEDURES.] *At the sentencing, dispositional hearing, or hearing on the restitution request, the offender shall have the burden to produce evidence if the offender intends to challenge the amount of restitution or specific items of restitution or their dollar amounts. This burden of production must include a detailed sworn affidavit of the offender setting forth all challenges to the restitution or items of restitution, and specifying all reasons justifying dollar amounts of restitution which differ from the amounts requested by the victim or victims. The affidavit must be served on the prosecuting attorney and the court at least five business days before the hearing. A dispute as to the proper amount or type of restitution must be resolved by the court by the preponderance of the evidence. The burden of demonstrating the amount of loss sustained by a victim as a result of the offense and the appropriateness of a particular type of restitution is on the prosecution.*

Sec. 5. Minnesota Statutes 1993 Supplement, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or ~~transferred to a minimum security setting~~ if the offender's custody status is reduced, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the offender's release, ~~transfer, or change in security~~ when the offender's custody status is reduced. For a victim of a felony crime against the person for which the offender was sentenced to imprisonment for more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, ~~transfer, or change to minimum security status.~~

Sec. 6. Minnesota Statutes 1992, section 611A.19, is amended to read:

611A.19 [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court may issue an order requiring a person convicted of a violent crime, as defined in section 609.152, or a juvenile adjudicated delinquent for violating section 609.342, 609.343, 609.344, or 609.345, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

- (1) the prosecutor moves for the test order in camera;
- (2) the victim requests the test; and
- (3) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during commission of the crime in a manner which has been demonstrated epidemiologically to transmit the HIV virus.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional who is trained to

provide the counseling described in section 144.763, and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of any a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.763. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335 and destroyed.

Sec. 7. Minnesota Statutes 1993 Supplement, section 611A.52, subdivision 8, is amended to read:

Subd. 8. [ECONOMIC LOSS.] "Economic loss" means actual economic detriment incurred as a direct result of injury or death.

(a) In the case of injury the term is limited to:

(1) reasonable expenses incurred for necessary medical, chiropractic, hospital, rehabilitative, and dental products, services, or accommodations, including ambulance services, drugs, appliances, and prosthetic devices;

(2) reasonable expenses associated with recreational therapy where a claimant has suffered amputation of a limb;

(3) reasonable expenses incurred for psychological or psychiatric products, services, or accommodations, *not to exceed an amount to be set by the board*, where the nature of the injury or the circumstances of the crime are such that the treatment is necessary to the rehabilitation of the victim; ~~subject to the following limitations:~~

(i) ~~if treatment is likely to continue longer than six months after the date the claim is filed and the cost of the additional treatment will exceed \$1,500, or if the total cost of treatment in any case will exceed \$4,000, the provider shall first submit to the board a plan which includes the measurable treatment goals, the estimated cost of the treatment, and the estimated date of completion of the treatment. Claims submitted for treatment that was provided more than 30 days after the estimated date of completion may be paid only after advance approval by the board of an extension of treatment; and~~

(ii) ~~the board may, in its discretion, elect to pay claims under this clause on a quarterly basis;~~

(4) loss of income that the victim would have earned had the victim not been injured;

(5) reasonable expenses incurred for substitute child care or household services to replace those the victim would have performed had the victim not

been injured. As used in this clause, "child care services" means services provided by facilities licensed under and in compliance with either Minnesota Rules, parts 9502.0315 to 9502.0445, or 9545.0510 to 9545.0670, or exempted from licensing requirements pursuant to section 245A.03. Licensed facilities must be paid at a rate not to exceed their standard rate of payment. Facilities exempted from licensing requirements must be paid at a rate not to exceed \$3 an hour per child for daytime child care or \$4 an hour per child for evening child care; and

(6) reasonable expenses actually incurred to return a child who was a victim of a crime under section 609.25 or 609.26 to the child's parents or lawful custodian. These expenses are limited to transportation costs, meals, and lodging from the time the child was located until the child was returned home.

(b) In the case of death the term is limited to:

(1) reasonable expenses actually incurred for funeral, burial, or cremation, not to exceed an amount to be determined by the board on the first day of each fiscal year;

(2) reasonable expenses for medical, chiropractic, hospital, rehabilitative, psychological and psychiatric services, products or accommodations which were incurred prior to the victim's death and for which the victim's survivors or estate are liable;

(3) loss of support, including contributions of money, products or goods, but excluding services which the victim would have supplied to dependents if the victim had lived; and

(4) reasonable expenses incurred for substitute child care and household services to replace those which the victim would have performed for the benefit of dependents if the victim had lived.

Claims for loss of support for minor children made under clause (3) must be paid for three years or until the child reaches 18 years old, whichever is the shorter period. After three years, if the child is younger than 18 years old a claim for loss of support may be resubmitted to the board, and the board staff shall evaluate the claim giving consideration to the child's financial need and to the availability of funds to the board. Claims for loss of support for a spouse made under clause (3) shall also be reviewed at least once every three years. The board staff shall evaluate the claim giving consideration to the spouse's financial need and to the availability of funds to the board.

Claims for substitute child care services made under clause (4) must be limited to the actual care that the deceased victim would have provided to enable surviving family members to pursue economic, educational, and other activities other than recreational activities.

Sec. 8. Minnesota Statutes 1992, section 611A.53, subdivision 2, is amended to read:

Subd. 2. No reparations shall be awarded to a claimant otherwise eligible if:

(a) the crime was not reported to the police within ~~five~~ 30 days of its occurrence or, if it could not reasonably have been reported within that period, within ~~five~~ 30 days of the time when a report could reasonably have been made. A victim of criminal sexual conduct in the first, second, third, or fourth degree who does not report the crime within ~~five~~ 30 days of its occurrence is deemed to have been unable to have reported it within that period;

(b) the victim or claimant failed or refused to cooperate fully with the police and other law enforcement officials;

(c) the victim or claimant was the offender or an accomplice of the offender or an award to the claimant would unjustly benefit the offender or an accomplice;

(d) the victim or claimant was in the act of committing a crime at the time the injury occurred;

(e) no claim was filed with the board within ~~one year~~ *two years* of victim's injury or death; except that (1) if the claimant was unable to file a claim within that period, then the claim can be made within ~~one year~~ *two years* of the time when a claim could have been filed; and (2) if the victim's injury or death was not reasonably discoverable within ~~one year~~ *two years* of the injury or death, then the claim can be made within ~~one year~~ *two years* of the time when the injury or death is reasonably discoverable. The following circumstances do not render a claimant unable to file a claim for the purposes of this clause: (1) lack of knowledge of the existence of the Minnesota crime victims reparations act, (2) the failure of a law enforcement agency to provide information or assistance to a potential claimant under section 611A.66, (3) the incompetency of the claimant if the claimant's affairs were being managed during that period by a guardian, guardian ad litem, conservator, authorized agent, or parent, or (4) the fact that the claimant is not of the age of majority; or

(f) the claim is less than \$50.

The limitations contained in clauses (a) and (e) do not apply to victims of domestic child abuse as defined in section 260.015, subdivision 24. In those cases the ~~one~~ *two*-year limitation period commences running with the report of the crime to the police; provided that no claim as a result of loss due to domestic child abuse may be paid when the claimant is 21 years of age or older at the time the claim is filed.

ARTICLE 8

JUDICIAL PROVISIONS

Section 1. Minnesota Statutes 1992, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; 27 28 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 24 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 54 57 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; 17 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; 20 22 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomon, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; 20 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; 32 34 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 2. Minnesota Statutes 1992, section 253B.19, subdivision 2, is amended to read:

Subd. 2. [PETITION; HEARING.] The committed person or the county attorney of the county from which a patient as mentally ill and dangerous to the public was committed may petition the appeal panel for a rehearing and reconsideration of a decision by the commissioner. The petition shall be filed with the supreme court within 30 days after the decision of the commissioner. The supreme court shall refer the petition to the chief judge of the appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, the designated agency, the commissioner, the head of the treatment facility, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing. The hearing shall be within 45 days of the filing of the petition. Any person may oppose the petition. The appeal panel may appoint examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, patient's counsel, and the county attorney of the committing county may be present and present and cross-examine all witnesses. *The petitioning party bears the burden of going forward with the evidence. The party opposing discharge bears the burden of proof by clear and convincing evidence that the respondent is in need of commitment.*

Sec. 3. Minnesota Statutes 1993 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner,

or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$122.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$122.

The party requesting a trial by jury shall pay \$75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page \$10, and \$3.50, plus 25 cents per page after the first page \$5 for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$11.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

Sec. 4. Minnesota Statutes 1992, section 357.22, is amended to read:

357.22 [WITNESSES.]

The fees to be paid to witnesses shall be as follows:

(1) For attending in any action or proceeding in any court or before any officer, person, or board authorized to take the examination of witnesses, \$10 \$20 for each day;

(2) For travel to and from the place of attendance, to be estimated from the witness's residence, if within the state, or from the boundary line of the state where the witness crossed it, if without the state, 24 28 cents per mile.

No person is obliged to attend as a witness in any civil case unless one day's attendance and travel fees are paid or tendered the witness in advance.

Sec. 5. Minnesota Statutes 1993 Supplement, section 357.24, is amended to read:

357.24 [CRIMINAL CASES.]

Witnesses for the state in criminal cases and witnesses attending on behalf of any defendant represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, shall receive the same fees for travel and attendance as provided in section 357.22. Judges also may allow like fees to witnesses attending in behalf of any other defendant. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages and child care, not to exceed \$40 \$60 per day. When a defendant is represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, neither the defendant nor the public defender shall be charged for any subpoena fees or for service of subpoenas by a public official. The compensation and reimbursement shall be paid out of the county treasury.

Sec. 6. Minnesota Statutes 1992, section 357.241, is amended to read:

357.241 [JUVENILE COURT WITNESSES.]

Witnesses in juvenile proceedings shall receive the same fees for travel and attendance as provided in section 357.22. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages, and child care, not to exceed \$40 \$60 per day.

Sec. 7. Minnesota Statutes 1992, section 357.242, is amended to read:

357.242 [PARENTS OF JUVENILES.]

In any proceeding where a parent or guardian attends the proceeding with a minor witness and the parent or guardian is not a witness, one parent or guardian shall be compensated in those cases where witness compensation is mandatory under section 357.22, 357.24, or 357.241, and may be compensated at the discretion of the judge when the minor is a witness on behalf of a defendant in a criminal case or on behalf of a juvenile in a juvenile court proceeding. The court shall award no more than a combined total of \$40 \$60 to the parent or guardian and the minor witness.

Sec. 8. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [JUDICIAL TRAINING ON DOMESTIC ABUSE, HARASSMENT, AND STALKING.]

The supreme court's judicial education program must include ongoing training for district court judges on domestic abuse, harassment, and stalking laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system. *The program also must include training for judges, judicial officers, and court services personnel on how to assure that their bail evaluations and decisions are racially and culturally neutral.*

Sec. 9. Minnesota Statutes 1992, section 485.06, is amended to read:

485.06 [SEARCH OF RECORDS; CERTIFICATE; PUBLIC INSPECTION.]

The court administrator, upon request of any person, shall make search of the books and records of the court administrator's office, and ascertain the existence, docketing, or satisfaction of any judgment or other lien, and certify the result of such search under the court administrator's hand and the seal of said court, giving the name of the party against whom any judgment or lien appears of record, the amount thereof, and the time of its entry; and, if satisfied of its satisfaction, and any other entries requested relative to such judgment. *The court administrator's search will be a search for the exact match of the requested name.* Nothing in this section shall prevent attorneys or others from having access to such books and records at all reasonable times, when no certificate is necessary or required.

Sec. 10. Minnesota Statutes 1992, section 494.05, is amended to read:

494.05 [GRANTS.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] A community dispute resolution program is not eligible for a grant under this section unless it:

(1) complies with this chapter and the guidelines and rules adopted under this chapter;

(2) is certified by the state court administrator under section 494.015, subdivision 2;

(3) demonstrates that at least ~~two-thirds~~ *one-half* of its annual budget will be derived from sources other than the state;

(4) documents evidence of support within its service area by community organizations, administrative agencies, and judicial and legal system representatives; and

(5) is exempt or has applied for exemption from federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 or is administered and funded by a city, county, or court system as a distinct, identifiable unit that has a separate and distinguishable operating budget.

Subd. 2. [FUNDING.] Grants under this section must be used for the costs of operating approved programs. A program is eligible to receive a grant an

amount of money equal to ~~one-third~~ one-half of its estimated annual budget, but not more than \$25,000 a year.

Subd. 3. [REPORTS.] The state court administrator shall compile a summary report of the data submitted in the previous year and any other relevant information from other sources. The report must be submitted to the legislature by February 1 of each year.

Sec. 11. Minnesota Statutes 1992, section 508.11, is amended to read:

508.11 [APPLICATION FILED WITH COURT ADMINISTRATOR; DOCKET; ABSTRACT.]

The application shall be filed with the court administrator, ~~who shall docket the same in a book to be known as the "Land Registration Docket."~~ All orders, judgments, and decrees of the court in the proceeding shall be minuted in such docket. All final orders or decrees shall be recorded by the court administrator and proper reference made thereto in such docket. At the time of the filing of the application with the court administrator, a copy thereof, duly certified by the court administrator, shall be filed for record with the county recorder, and shall be notice forever to purchasers and encumbrancers of the pendency of the proceeding and of all matters referred to in the court files and records pertaining to the proceeding. The applicant shall file with the court administrator, as soon after the filing of the application as is practicable, an abstract of title to the land described in the application, satisfactory to the examiner. If required so to do by the examiner, the applicant shall likewise cause the land to be surveyed by some competent surveyor, and file with the court administrator a plat of the land duly certified by such surveyor.

Sec. 12. Minnesota Statutes 1993 Supplement, section 593.48, is amended to read:

593.48 [COMPENSATION OF JURORS AND TRAVEL REIMBURSEMENT.]

A juror shall be reimbursed for round-trip travel between the juror's residence and the place of holding court and compensated for required attendance at sessions of court and may be reimbursed for additional day care expenses incurred as a result of jury duty at rates determined by the supreme court. *A juror may request reimbursement for additional parking expenses incurred as a result of jury duty, in which case the reimbursement shall be paid and the juror's compensation for required attendance at sessions of court shall be reduced by the amount of the parking reimbursement.* Except in the eighth judicial district where the state shall pay directly, the compensation and reimbursement shall be paid out of the county treasury upon receipt of authorization to pay from the jury commissioner. These jury costs shall be reimbursed monthly by the supreme court upon submission of an invoice by the county treasurer. A monthly report of payments to jurors shall be sent to the jury commissioner within two weeks of the end of the month in the form required by the jury commissioner.

Sec. 13. Minnesota Statutes 1992, section 600.23, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF PAPERS.] Every county recorder, ~~and every court administrator of a court of record,~~ upon being paid the legal fees therefor, shall receive and deposit in the office any instruments or papers

which shall be offered for that purpose and, if required, shall give to the person depositing the same a receipt therefor.

Sec. 14. Minnesota Statutes 1992, section 611.21, is amended to read:

611.21 [SERVICES OTHER THAN COUNSEL.]

(a) Counsel, ~~whether or not~~ appointed by the court, for ~~a~~ an indigent defendant ~~who is financially unable to obtain~~, or representing a defendant who, at the outset of the prosecution, has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), may file an *ex parte* application requesting investigative, expert, or other services necessary to an adequate defense in the case ~~may request them in an ex parte application~~. Upon finding, after appropriate inquiry in an *ex parte* proceeding, that the services are necessary and that the defendant is financially unable to obtain them, the court shall authorize counsel to obtain the services on behalf of the defendant. The court may establish a limit on the amount which may be expended or promised for such services. The court may, in the interests of justice, and upon a finding that timely procurement of necessary services could not await prior authorization, ratify such services after they have been obtained, but such ratification shall be given only in unusual situations. The court shall determine reasonable compensation for the services and direct payment by the county in which the prosecution originated, to the organization or person who rendered them, upon the filing of a claim for compensation supported by an affidavit specifying the time expended, services rendered, and expenses incurred on behalf of the defendant, and the compensation received in the same case or for the same services from any other source.

(b) The compensation to be paid to a person for such service rendered to a defendant under this section, or to be paid to an organization for such services rendered by an employee, may not exceed \$1,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court as necessary to provide fair compensation for services of an unusual character or duration and the amount of the excess payment is approved by the chief judge of the district. The chief judge of the judicial district may delegate approval authority to an active district judge.

(c) If the court denies authorizing counsel to obtain services on behalf of the defendant, the court shall make written findings of fact and conclusions of law that state the basis for determining that counsel may not obtain services on behalf of the defendant. When the court issues an order denying counsel the authority to obtain services, the defendant may appeal immediately from that order to the court of appeals and may request an expedited hearing.

Sec. 15. [629.74] [PRETRIAL BAIL EVALUATION.]

The local corrections department or its designee shall conduct a pretrial bail evaluation of each defendant arrested and detained for committing a crime of violence as defined in section 624.712, subdivision 5, a gross misdemeanor violation of section 609.224, or a nonfelony violation of section 518B.01, 609.2231, 609.3451, 609.748, or 609.749. In cases where the defendant requests appointed counsel, the evaluation shall include completion of the financial statement required by section 611.17. The local corrections department shall be reimbursed \$25 by the department of corrections for each evaluation performed. The conference of chief judges, in consultation with the

department of corrections, shall approve the pretrial evaluation form to be used in each county.

Sec. 16. Minnesota Statutes 1992, section 631.021, is amended to read:

631.021 [SPEEDY CRIMINAL TRIALS; CASE DISPOSITION OBJECTIVES.]

The judges of each judicial district must adopt and administer rules or procedures to ensure that, on and after ~~July 1, 1994~~ *July 1, 1997*, the following timing objectives for the disposition of criminal cases are met by judges within the district:

- (1) 90 percent of all criminal cases must be disposed of within 120 days;
- (2) 97 percent of all criminal cases must be disposed of within 180 days;
- and
- (3) 99 percent of all criminal cases must be disposed of within 365 days.

The time periods referred to in clauses (1) to (3) must be measured from the date the criminal complaint is filed, to the date the defendant is either found not guilty or is sentenced. If the criminal case begins by indictment rather than by criminal complaint, the time period must be measured from the date the indictment is returned.

Sec. 17. [PROSECUTOR TRAINING.]

The county attorneys association, in conjunction with the attorney general's office, shall prepare and conduct a training course for prosecutors on how to assure that their bail recommendations are racially and culturally neutral. The course may be combined with other training conducted by the county attorneys association or other groups.

Sec. 18. [COMMITMENT STUDY.]

Subdivision 1. [GENERAL; TASK FORCE.] The supreme court is requested to conduct a study of state civil commitment laws and procedures and related legal and treatment issues. To conduct the study, the supreme court shall convene an advisory task force on the commitment system, including the following:

- (1) judges, county attorneys, a representative of the attorney general's office, and attorneys who represent patients and proposed patients;*
- (2) parents or other family members of patients;*
- (3) mental health advocates;*
- (4) patients or former patients;*
- (5) mental health service providers;*
- (6) representatives of state and county mental health agencies;*
- (7) law enforcement; and*
- (8) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker, and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration.*

Members of the task force should represent a cross-section of regions within the state. The task force shall select a chair from among its membership, other than the members appointed under clause (8).

Subd. 2. [SCOPE OF STUDY.] To the extent practicable, the study should include:

- (1) hearings and procedures governing administration of neuroleptic medications;*
- (2) provisional discharges;*
- (3) monitoring of medication;*
- (4) mental health treatment advance declarations;*
- (5) relationship between the commitment act and the psychopathic personality statute;*
- (6) criteria for commitments and 72-hour holds;*
- (7) time lines and length of commitment;*
- (8) impact of available resources and service delivery systems on commitments and implementation of least restrictive alternatives;*
- (9) training and expertise of professionals involved in the commitment process;*
- (10) separation of functions and conflicts of interest and related due process issues in the commitment process;*
- (11) rights of patients;*
- (12) variations in implementation and interpretation of commitment laws around the state;*
- (13) vulnerable adult reporting and mental competency issues; and*
- (14) any other commitment, legal, and treatment issues identified by the task force.*

The work of the task force must not duplicate but should be coordinated with the work of the task force on sexual predators.

Subd. 3. [STAFF.] The task force may employ necessary staff to provide legal counsel, research, and clerical assistance.

Subd. 4. [REPORT.] The task force shall submit a written report to the governor and the legislature by January 15, 1996, containing its findings and recommendations. The task force expires upon submission of its report.

Sec. 19. [RESOURCE REPORT.]

The commissioner of corrections shall evaluate existing sexual assault victim advocacy services and estimate the need for additional advocacy services.

Sec. 20. [TASK FORCE ON SEXUAL PREDATORS.]

There is created a 13-member task force to study issues relating to the confinement of sexual predators, including commitment of psychopathic personalities. The task force shall consist of two members of the senate

appointed by the majority leader and two members of the house of representatives appointed by the speaker. Legislative membership from each body shall consist of one member of the democratic farmer labor party and one member of the independent republican party. In addition, the task force shall contain the following:

(1) four members selected by the commissioner of corrections, including at least one representative from the law enforcement community and one sexual assault counselor;

(2) one county attorney selected by the county attorneys association; and

(3) four members selected by the commissioner of human services, including the ombudsman for mental health and mental retardation, one mental health professional, one representative of a mental health advocacy group, and one representative from the attorney general's office.

The task force may request research and information from the commissioners of corrections and human services and staff assistance as needed.

The task force shall be convened no later than August 1, 1994, and shall examine current law and practice relating to the commitment of psychopathic personalities under Minnesota Statutes, chapters 253B and 526. The task force shall examine the laws of other jurisdictions and the clinical literature on sex offender treatment and shall make recommendations on options, both civil and criminal, for dealing with sexual predators. The task force shall report to the chairs of the house judiciary and senate crime prevention committees with these recommendations by January 15, 1995.

Sec. 21. [SEXUAL ASSAULT RESPONSE COORDINATING BOARD.]

Subdivision 1. [SEXUAL ASSAULT RESPONSE COORDINATING COUNCILS.] By October 1, 1994, the conference of chief judges shall establish a coordinating council in each judicial district to oversee efforts to coordinate the criminal justice system response to sexual assault cases. Membership shall include representation of at least the following groups:

- (1) judges;
- (2) county attorneys;
- (3) public defenders;
- (4) law enforcement;
- (5) sexual assault advocacy programs;
- (6) court administration;
- (7) social service agencies;
- (8) medical personnel; and
- (9) the public.

Subd. 2. [SEXUAL ASSAULT RESPONSE COORDINATION PLAN.] Each sexual assault coordinating council shall prepare a written sexual assault coordination plan to implement the goal of ensuring the appropriate response of the criminal justice system to the handling of sexual assault cases. Each plan must address the following issues:

- (1) the roles and responsibilities of criminal justice agencies in responding to sexual assault allegations;
- (2) the needs of the victim for advocacy services in the process;
- (3) the current range of judicial sanctions imposed;
- (4) the adequacy of existing services for the victim and defendant; and
- (5) the coordination of the criminal justice system response to sexual assault cases.

Subd. 3. [REVIEW OF JUDICIAL DISTRICT SEXUAL ASSAULT RESPONSE COORDINATING PLAN.] (a) Each judicial district shall submit its sexual assault response coordination plan to the conference of chief judges by October 1, 1995. The conference shall review the plans and make recommendations it deems appropriate. Specifically, the conference shall address the adequacy and use of criminal justice resources to respond to sexual assault cases.

(b) A copy of each judicial district's plan, along with the conference of chief judges' recommendations for changes in rules, criminal procedure, and statutes, must be filed with the chair of the senate crime prevention committee and the chair of the house of representatives judiciary committee by January 1, 1996.

Sec. 22. [REPEALER.]

Minnesota Statutes 1992, section 629.69, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Two of the additional judgeships authorized for judicial districts in section 1 are established effective October 1, 1994, and two of the additional judgeships are established effective March 1, 1995.

Sections 17 to 21 are effective the day following final enactment.

ARTICLE 9

CRIME PREVENTION

Section 1. [242.56] [WORK AND LEARN FACILITIES FOR YOUTH.]

Subdivision 1. [REQUESTS FOR PROPOSALS.] The commissioner of corrections shall select two nonprofit organizations to select and develop sites for work and learn facilities for youth. The selection of organizations must be made in consultation with the advisory group created under subdivision 3. By July 1, 1994, the commissioner shall issue a request for proposals from nonprofit organizations to locate and develop the facilities described in subdivisions 4 and 5. Both programs will provide rigorous programming for youthful offenders.

Subd. 2. [ELIGIBILITY.] (a) Both programs are limited to individuals who:

- (1) are at least 14 years of age but no older than 19 at the time of admission;
- (2) have not received a high school diploma; and

(3) were adjudicated delinquent or referred by a county social services agency.

(b) The following are not eligible:

(1) juveniles adjudicated delinquent for murder, manslaughter, criminal sexual conduct in the first or second degree, assault, kidnapping, robbery, arson, or any other offense involving death or intentional personal injury; and

(2) juveniles who were adjudicated delinquent within the preceding ten years of an offense described in clause (1) and were committed to the custody of the commissioner.

(c) The programs may include nonoffenders selected by the commissioner based on recommendations from social service agencies of individuals who are at risk of incarceration.

Subd. 3. [ADVISORY GROUP.] The commissioner shall appoint an advisory group to assist in selecting sites under this section. The commissioner shall include among the members of the group representatives of the following: the council on Black Minnesotans, the council on the affairs of Spanish-speaking people, the council on Asian-Pacific Minnesotans, the Indian affairs council, the commissioner of education, community corrections officials, county corrections officials, the association of counties, and the association of county probation officers.

Subd. 4. [METROPOLITAN WORK AND LEARN SITE.] One facility shall be in the metropolitan area in an academy campus setting and be administered to address the problems of high unemployment rate among people of color, the high drop-out rate of young people in the public school system, and overcrowded correctional facilities. The academy shall provide the following programs:

- (1) physical training;
- (2) general studies;
- (3) motivational and personal development;
- (4) business opportunities;
- (5) skills improvement; and
- (6) structured residential treatment programs of individual and group counseling.

Subd. 5. [WILDERNESS WORK AND LEARN SITE.] One facility shall be in a wilderness setting, no more than 50 miles from the outer boundary of the seven-county metropolitan area, located on a site of at least 60 acres. The wilderness site shall offer a combination of the following:

- (1) group activities that develop cooperation, teamwork, and trust in others;
- (2) wilderness camping experiences that ensure that the youth begin to build self-esteem about themselves;
- (3) structured residential treatment programs of individual and group counseling;
- (4) a teaching and social reinforcement system;

- (5) a point and level incentive system;
- (6) vocational and academic education; and
- (7) life skills training.

Subd. 6. [FAMILY SERVICES.] Both programs shall provide family services during and after the youth's involvement, including six months of intensive follow-up supervision of the youth after return to the community.

Subd. 7. [EVALUATION AND REPORT.] The commissioner shall file a report with the chairs of the senate crime prevention committee and the house of representatives judiciary committee by December 1, 1994, describing the sites selected and the progress made in developing them. The commissioner shall also develop a system for gathering and analyzing information concerning the value and effectiveness of the work and learn facilities. The commissioner shall report to the chairs of the committees in the house of representatives and senate with jurisdiction over criminal justice policy by January 1, 1999, on the operation of the program, with a recommendation as to whether it should be continued.

Sec. 2. Minnesota Statutes 1992, section 299A.31, is amended to read:

299A.31 [CHEMICAL ABUSE AND VIOLENCE PREVENTION RESOURCE COUNCIL.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse and violence prevention ~~resource~~ council consisting of 19 members is established. The commissioners of public safety, education, health, corrections, and human services, the director of the office of strategic and long-range planning, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following: public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; representatives of racial and ethnic minority communities; and other community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Subd. 2. [ACCEPTANCE OF FUNDS AND DONATIONS.] The council may accept federal money, gifts, donations, and bequests for the purpose of performing the duties set forth in this section and section 299A.32. The council shall use its best efforts to solicit funds from private individuals and organizations to match state appropriations.

Sec. 3. Minnesota Statutes 1992, section 299A.32, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REPORT.] By February 1 each year, the council shall submit a written report to the governor and the legislature describing its activities during the preceding year, describing efforts that have been made to enhance and improve utilization of existing resources and to identify deficits

in prevention efforts, and recommending appropriate changes, including any legislative changes that it considers necessary or advisable in the area of chemical abuse *and violence* prevention policy, programs, and services.

Sec. 4. Minnesota Statutes 1992, section 299A.34, subdivision 2, is amended to read:

Subd. 2. [SELECTION AND MONITORING.] The chemical abuse *and violence* prevention ~~resource~~ council shall assist in the selection and monitoring of grant recipients.

Sec. 5. Minnesota Statutes 1993 Supplement, section 299A.35, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the chemical abuse *and violence* prevention ~~resource~~ council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs;

(4) community-based programs designed to enrich the educational, cultural, or recreational opportunities of at-risk elementary or secondary school age youth, including programs designed to keep at-risk youth from dropping out of school and encourage school dropouts to return to school;

(5) support services for a municipal curfew enforcement program including, but not limited to, rent for drop-off centers, staff, supplies, equipment, and the referral of children who may be abused or neglected; and

(6) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Sec. 6. Minnesota Statutes 1992, section 299A.36, is amended to read:

299A.36 [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug policy and violence prevention, in consultation with the chemical abuse *and violence* prevention ~~resource~~ council, shall:

(1) provide information and assistance upon request to school preassessment teams established under section 126.034 and school and community advisory teams established under section 126.035;

(2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152;

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services;

(4) assist in coordinating the policy of the office with that of the narcotic enforcement unit in the bureau of criminal apprehension; and

(5) coordinate the activities of the regional drug task forces, provide assistance and information to them upon request, and assist in the formation of task forces in areas of the state in which no task force operates.

Sec. 7. [PURPOSE.]

It is well established that children who are chronically absent from school face a bleak future in that they are at greater risk of ending up in the delinquency system, becoming high school dropouts, and finding themselves without the skills necessary to have a productive work life as adults. To effectively combat truancy and educational neglect, there needs to be a continuum of intervention and services to support parents and children and keep children in school. That continuum should be characterized by progressively intrusive intervention beginning with the strongest efforts at the school and community level and offering access to the public agency and court's authority when necessary.

Sec. 8. [126.25] [COMMUNITY-BASED TRUANCY ACTION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall establish demonstration projects to reduce truancy rates in schools by early identification of students with school absenteeism problems and providing appropriate interventions based on each student's underlying issues that are contributing to the truant behavior.

Subd. 2. [PROGRAM COMPONENTS.] (a) Projects eligible for grants under this section shall be community-based and must include cooperation between at least one school and one community agency and provide coordinated intervention, prevention, and educational services. Services may include:

(1) assessment for underlying issues that are contributing to the child's truant behavior;

(2) referral to community-based services for the child and family which includes, but is not limited to, individual or family counseling, educational testing, psychological evaluations, tutoring, mentoring, and mediation;

(3) transition services to integrate the child back into school and to help the child succeed once there;

(4) culturally sensitive programming and staffing; and

(5) increased school response including in-school suspension, better attendance monitoring and enforcement, after-school study programs, and in-service training for teachers and staff.

(b) Priority will be given to grants that include:

(1) local law enforcement;

(2) elementary and middle schools;

(3) multiple schools and multiple community agencies;

(4) parent associations; and

(5) neighborhood associations.

Subd. 3. [EVALUATION.] *Grant recipients must report to the commissioner of public safety by September 1 of each year on the services and programs provided, the number of children served, the average daily attendance for the school year, and the number of habitual truancy and educational neglect petitions referred for court intervention.*

Sec. 9. [144.3872] [FEMALE GENITAL MUTILATION; EDUCATION AND OUTREACH.]

The commissioner of health shall carry out appropriate education, prevention, and outreach activities in communities that traditionally practice female circumcision, excision, or infibulation to inform people in those communities about the health risks and emotional trauma inflicted by those practices and to inform them and the medical community of the criminal penalties contained in section 609.2245. The commissioner shall work with culturally appropriate groups to obtain private funds to help finance these prevention and outreach activities.

Sec. 10. Minnesota Statutes 1992, section 145A.05, is amended by adding a subdivision to read:

Subd. 7a. [CURFEW.] *A county board may adopt an ordinance establishing a countywide curfew for persons under 17 years of age.*

Sec. 11. [DEMONSTRATION PROJECT; INTERVENTION WITH CHIPS-DELINQUENTS.]

Subdivision 1. [ESTABLISHMENT.] *The commissioners of human services and corrections shall establish a demonstration project to develop and provide effective intervention and treatment for children under the age of ten who are committing or have committed unlawful acts. The commissioners may determine the length of the demonstration project.*

Subd. 2. [REPORT.] *After the demonstration project has been completed, the commissioners shall evaluate its success and make recommendations to the legislature concerning the types of services that should be provided to these children.*

Sec. 12. [INSTITUTE FOR CHILD AND ADOLESCENT SEXUAL HEALTH.]

Subdivision 1. [PILOT PROJECTS.] *The institute of child and adolescent sexual health established in Laws 1992, chapter 571, article 1, section 28, and Laws 1993, chapter 326, article 12, section 16, shall implement two pilot projects that examine the relationship between violent juvenile sex offenders and the factors that contribute to their behavior. One pilot project must examine early protective and risk factors associated with adolescent sex offenders in order to identify children who are high risk to become offenders and to develop earlier intervention strategies. The second pilot project must develop and implement an intervention program for children identified as high risk to become sex offenders.*

Subd. 2. [FINANCIAL STATUS REPORT.] *By March 15, 1995, the institute must report to the commissioner of health the results of grant-seeking efforts, the location of resources for non-project-related expenses and the status and preliminary findings of the pilot projects under subdivision 1.*

Sec. 13. [MALE RESPONSIBILITY AND FATHERING GRANTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A grant program for fiscal year 1995 is established to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood. The purpose of the program is to foster male responsibility by encouraging youth or parenting program providers to collaborate with school districts to attain the outcomes in this section.

Subd. 2. [ELIGIBILITY; APPLICATION PROCESS.] (a) A youth or parenting program provider whose purpose is to reduce teen pregnancy or teach child development and parenting skills in collaboration with a school district may submit an application for a grant. The grant applicant must prepare an application in collaboration with the advisory committee under paragraph (c). Each grant application must describe:

(1) the program's structure and components, including collaborative and outreach efforts;

(2) how the applicant will implement and evaluate the program;

(3) a plan for using male instructors and mentors;

(4) the outcomes the applicant expects to attain; and

(5) a cultural diversity plan to ensure that program staff or teachers reflect the cultural backgrounds of the population served and that the program content is culturally sensitive.

(b) Grant recipients must, at minimum, educate young people, particularly males ages ten to 21, about responsible parenting and child development, responsible decision making in relationships, and the legal implications of paternity. Grant recipients must promote public awareness of male responsibility issues in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, and mentoring and peer teaching.

(c) A grant applicant must establish an advisory committee to assist the applicant in planning and implementing a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

Subd. 3. [EXPECTED OUTCOMES.] Grant recipients shall use the funds for programs designed to prevent teen pregnancy and to prevent crime in the long term. Grant recipients must assist youth to:

(1) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of parenting;

(2) understand the long-term responsibility of fatherhood;

(3) understand the importance of fathers in the lives of children;

(4) acquire parenting skills and knowledge of child development; and

(5) find community support for their roles as fathers and nurturers of children.

Subd. 4. [GRANT AWARDS.] The commissioner shall establish a committee to review the grant applications based on the criteria in subdivisions 2 and

3 and the applicant's ability to match state money and advise the commissioner. The committee shall include teachers and representatives of community organizations, student organizations, and education or family social service agencies that offer parent education programs. The commissioner shall ensure that the grants are proportionately distributed throughout the state among school districts with student populations of different sizes.

Subd. 5. [COOPERATIVE AGREEMENTS.] The commissioner of education may enter into cooperative agreements with the commissioner of human services for purposes of child support, education and awareness, paternity education and awareness, and gaining federal financial participation.

Subd. 6. [REPORT.] The commissioner shall report to the legislature by January 15, 1996, on the success of grant recipients in meeting their expected outcomes.

Sec. 14. [TRUANCY SERVICE CENTER PILOT PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety in cooperation with the commissioners of education, human services, and corrections, shall establish three two-year truancy service center pilot projects to:

(1) communicate a strong message about the community's expectations of school attendance;

(2) reduce habitual truancy, school dropout, and future delinquency by helping to link children and parents with needed social and educational services;

(3) prevent exploitation of or harm to juveniles on the street;

(4) help support and reinforce the responsibility of parents for their child's school attendance;

(5) provide a mechanism for collaboration between schools, police, parents, community-based programs, businesses, parks, recreation departments, and community residents on truancy prevention; and

(6) reduce the number of crimes committed by juveniles during school hours.

The truancy service centers shall include: one center in Hennepin county, one center in Ramsey county, and one center in a county designated by the commissioner of public safety in cooperation with the commissioners of education, human services, and corrections.

Subd. 2. [BOARD.] Each center shall be governed by an intergovernmental board including the city mayor, school superintendent, police chief, county attorney, county board members or their designees, and selected representatives of community-based agencies.

Subd. 3. [TRUANT STUDENTS; ACTION.] Each truancy service center pilot project shall receive truant students brought in by police officers and shall take appropriate action that may include one or more of the following:

(1) assessing the truant student's attendance situation, including enrollment status, verification of truancy, and school attendance history;

(2) assisting in coordinating intervention efforts where appropriate, including checking with juvenile probation and children and family services to determine whether an active case is pending and facilitating transfer to an appropriate facility, if indicated, and evaluating the need for and making referral to a health clinic, chemical dependency treatment, protective services, social or recreational programs, or school or community-based services and demonstration programs described in this section;

(3) contacting the parents or legal guardian of the truant student and releasing the truant student to the custody of the parents or guardian; and

(4) facilitating the juvenile's earliest possible return to school.

Subd. 4. [PERSONS EXCLUDED FROM SERVICE CENTERS.] The pilot truancy service centers shall not accept:

(1) juveniles arrested for criminal violations;

(2) intoxicated juveniles;

(3) ill or injured juveniles; or

(4) juveniles older than mandatory school attendance age.

Subd. 5. [EXPANSION OF SERVICES.] Truancy service centers may expand their service capability in order to receive curfew violators and take appropriate action including, but not limited to, coordination of intervention efforts, contacting parents, and developing strategies to ensure that parents assume responsibility and are held accountable for their children's curfew violations.

Subd. 6. [REPORT.] The commissioner of public safety, at the end of the pilot projects, shall report findings and recommendations to the legislature.

Sec. 15. [INTENSIVE NEGLECT INTERVENTION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety, in cooperation with the commissioners of education, human services, and corrections, shall establish two-year demonstration projects in at least two counties to address the needs of children who are at risk of school failure, delinquency, and mental health problems due to conditions of chronic neglect in their homes. These projects shall be designed to develop standards and model programming for intervention with chronic neglect.

Subd. 2. [PROGRAM REQUIREMENTS.] Counties eligible for grants under this section shall develop projects which include the following:

(1) a provision for joint service delivery with community corrections to address multiple needs of children in the family, demonstrate improved methods of service delivery, and prevent delinquent behavior;

(2) a provision for multidisciplinary team service delivery that will include minimally, resources to address employment, chemical dependency, housing, and health and educational needs;

(3) demonstration of standards including, but not limited to, model case planning, indices of child well-being, success measures tied to child well-being, time frames for achievement of success measures, a scheme for progressively intrusive intervention, and use of juvenile court intervention and criminal court intervention; and

(4) *a comprehensive review of funding and other sources available to children under this section in order to identify fiscal incentives and disincentives to successful service delivery.*

Subd. 3. [REPORT.] The commissioner of public safety, at the end of the projects, shall report findings and recommendations to the legislature on the standards and model programming developed under the demonstration projects to guide the redesign of service delivery for chronic neglect.

Sec. 16. [VIOLENCE PREVENTION ADVISORY TASK FORCE.]

Subdivision 1. [TASK FORCE.] The chemical abuse and violence prevention council shall establish a violence prevention advisory task force, consisting of representatives of the council and representatives of:

- (1) the legislative commission on children, youth, and their families;*
- (2) nonprofit and community-based organizations dealing with violence prevention and at-risk youth programs;*
- (3) individuals knowledgeable in crime prevention research, family education, and child development;*
- (4) the demographic and geographic composition of the state; and*
- (5) racial and ethnic minorities.*

The task force also shall include a representative of the law enforcement community and an education specialist who is knowledgeable about the antiviolence curriculum. The task force shall be chaired jointly by a member of the council and a member of the legislative commission on children, youth, and their families.

Subd. 2. [DUTIES.] The task force shall:

- (1) define violence prevention;*
- (2) develop measurable violence prevention goals;*
- (3) inventory state violence prevention programs;*
- (4) develop a state violence prevention policy and funding plan; and*
- (5) make recommendations for an ongoing system to evaluate the effectiveness of violence prevention programs, and to integrate the state violence prevention goals into the budgeting and policy-making of state agencies and the legislature.*

Subd. 3. [REPORT.] The task force shall report its recommendations to the legislature and the chairs of the standing committees of the senate and house of representatives with jurisdiction over criminal justice policy by January 1, 1995.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 and 16 are effective the day following final enactment.

ARTICLE 10

ATTORNEY GENERAL

Section 1. Minnesota Statutes 1992, section 8.06, is amended to read:

8.06 [ATTORNEY FOR STATE OFFICERS, BOARDS, OR COMMISSIONS; EMPLOY COUNSEL.]

The attorney general shall act as the attorney for all state officers and all boards or commissions created by law in all matters pertaining to their official duties. When requested by the attorney general, it shall be the duty of any county attorney of the state to appear within the county and act as attorney for any such board, commission, or officer in any court of such county. The attorney general may, upon request in writing, employ, and fix the compensation of, a special attorney for any such board, commission, or officer when, in the attorney general's judgment, the public welfare will be promoted thereby. Such special attorney's fees or salary shall be paid from the appropriation made for such board, commission, or officer. A state agency that is current with its billings from the attorney general for legal services may contract with the attorney general for additional legal and investigative services. Except as herein provided, no board, commission, or officer shall hereafter employ any attorney at the expense of the state.

Whenever the attorney general, the governor, and the chief justice of the supreme court shall certify, in writing, filed in the office of the secretary of state, that it is necessary, in the proper conduct of the legal business of the state, either civil or criminal, that the state employ additional counsel, the attorney general shall thereupon be authorized to employ such counsel and, with the governor and the chief justice, fix the additional counsel's compensation. Except as herein stated, no additional counsel shall be employed and the legal business of the state shall be performed exclusively by the attorney general and the attorney general's assistants.

Sec. 2. Minnesota Statutes 1993 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

Subdivision 1. [FEE SCHEDULES.] The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them, except that the attorney general may not assess the department of human rights for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund. develop a fee schedule to be used by the attorney general in developing the agreements authorized in subdivision 3.

The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them; except that The attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01.

Subd. 2. [BIENNIAL BUDGET REQUEST.] (a) The attorney general in consultation with the commissioner of finance shall designate which agencies will have their legal service requests included in the budget request of the attorney general.

(b) All other agencies, in consultation with the attorney general and the commissioner of finance, shall include a request for legal services in their biennial budget requests.

Subd. 3. [AGREEMENTS.] To facilitate the delivery of legal services, the attorney general may:

(1) enter into agreements with executive branch agencies, political subdivisions, or quasi-state agencies to provide legal services for the benefit of the citizens of Minnesota; and

(2) in addition to funds otherwise appropriated by the legislature, accept and spend funds received under any agreement authorized in clause (1) for the purpose set forth in clause (1), subject to a report of receipts to the chairs of the senate finance committee and the house ways and means committee by October 15 each year.

Funds received under this subdivision must be deposited in the general fund and are appropriated to the attorney general for the purposes set forth in this subdivision.

Subd. 4. [REPORTS.] The attorney general shall prepare an annual expenditure report describing actual expenditures for each agency or political subdivision receiving legal services. The report shall describe:

(1) estimated and actual expenditures, including expenditures authorized through agreements;

(2) the type of services provided; and

(3) major current and future legal issues.

The report shall be submitted to the chairs of the senate finance committee and the house ways and means committee by October 15 each year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1995.

ARTICLE 11

PUBLIC DEFENDER

Section 1. Minnesota Statutes 1992, section 477A.012, is amended by adding a subdivision to read:

Subd. 7. [AID OFFSET FOR 1995 PUBLIC DEFENDER COSTS.] (a) In the case of a county located in the first, fifth, seventh, ninth, or tenth judicial district, there shall be deducted from the payment to the county under this section an amount equal to the cost of public defense services in juvenile and misdemeanor cases, to the extent those costs are assumed by the state for the calendar year beginning on January 1, 1995.

(b) For the purpose of the aid reductions under this section, the following amounts shall be used by the commissioner of revenue as the cost of public defense services in juvenile and misdemeanor cases for each county in the

first, fifth, seventh, ninth, and tenth judicial districts, during the calendar year beginning on January 1, 1995:

COUNTY	JUDICIAL DISTRICT	AMOUNT
(1) Aitkin	9	\$126,000
(2) Anoka	10	\$634,000
(3) Becker	7	\$160,000
(4) Beltrami	9	\$130,000
(5) Benton	7	\$ 68,000
(6) Blue Earth	5	\$ 96,000
(7) Brown	5	\$ 58,000
(8) Carver	1	\$ 82,000
(9) Cass	9	\$134,000
(10) Chisago	10	\$ 66,000
(11) Clay	7	\$136,000
(12) Clearwater	9	\$ 24,000
(13) Cottonwood	5	\$ 24,000
(14) Crow Wing	9	\$128,000
(15) Dakota	1	\$644,000
(16) Douglas	7	\$ 84,000
(17) Faribault	5	\$ 34,000
(18) Goodhue	1	\$ 94,000
(19) Hubbard	9	\$ 30,000
(20) Isanti	10	\$ 56,000
(21) Itasca	9	\$ 44,000
(22) Jackson	5	\$ 30,000
(23) Kanabec	10	\$ 42,000
(24) Kittson	9	\$ 12,000
(25) Koochiching	9	\$ 32,000
(26) Lake of the Woods	9	\$ 8,000
(27) Le Sueur	1	\$ 64,000
(28) Lincoln	5	\$ 20,000
(29) Lyon	5	\$ 58,000
(30) Mahnomon	9	\$ 12,000
(31) Marshall	9	\$ 28,000
(32) Martin	5	\$ 74,000
(33) McLeod	1	\$ 66,000
(34) Mille Lacs	7	\$ 46,000
(35) Morrison	7	\$ 70,000
(36) Murray	5	\$ 14,000
(37) Nicollet	5	\$ 86,000
(38) Nobles	5	\$ 62,000
(39) Norman	9	\$ 18,000
(40) Otter Tail	7	\$172,000
(41) Pennington	9	\$ 30,000
(42) Pine	10	\$ 46,000
(43) Pipestone	5	\$ 14,000
(44) Polk	9	\$140,000
(45) Red Lake	9	\$ 10,000
(46) Redwood	5	\$ 98,000
(47) Rock	5	\$ 28,000
(48) Roseau	9	\$ 42,000
(49) Scott	1	\$164,000
(50) Sherburne	10	\$164,000

(51) Sibley	1	\$ 82,000
(52) Stearns	7	\$306,000
(53) Todd	7	\$ 66,000
(54) Wadena	7	\$ 24,000
(55) Washington	10	\$282,000
(56) Watonwan	5	\$ 38,000
(57) Wright	10	\$118,000

(c) One-fourth of the amount specified under paragraph (b) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1994, and one-fourth of the amount computed under paragraph (b) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1995. If the amount specified under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3.

(d) The appropriation for the state assumption of the costs of public defender services in juvenile and misdemeanor cases in the first, fifth, seventh, ninth, and tenth judicial districts, for the time period from January 1, 1995, to June 30, 1995, shall be annualized for the 1996-1997 biennium.

(e) An amount equal to the aid reduction under this subdivision must be transferred from the local government trust fund to the general fund at the time when the aid would otherwise be paid during fiscal years 1995 and 1996.

Sec. 2. Minnesota Statutes 1992, section 477A.012, is amended by adding a subdivision to read:

Subd. 8. [PERMANENT AID OFFSETS FOR PUBLIC DEFENDER COSTS.] The 1994 and the additional 1995 aid reductions provided in subdivision 7 are both permanent aid reductions. The aid reductions under Minnesota Statutes 1992, section 477A.012, subdivision 6, repealed under 1994 H.F. No. 3209, article 3, section 21, are also permanent aid reductions.

Sec. 3. Minnesota Statutes 1993 Supplement, section 611.17, is amended to read:

611.17 [FINANCIAL INQUIRY; STATEMENTS.]

(a) Each judicial district must screen requests under paragraph (b).

(b) Upon a request for the appointment of counsel, the court shall make appropriate inquiry into the financial circumstances of the applicant, who shall submit a financial statement under oath or affirmation setting forth the applicant's assets and liabilities, including the value of any real property owned by the applicant, whether homestead or otherwise, less the amount of any encumbrances on the real property, the source or sources of income, and any other information required by the court. The state public defender shall furnish appropriate forms for the financial statements. The information contained in the statement shall be confidential and for the exclusive use of the court and the public defender appointed by the court to represent the applicant except for any prosecution under section 609.48. A refusal to execute the financial statement or produce financial records constitutes a waiver of the right to the appointment of a public defender.

Sec. 4. Minnesota Statutes 1993 Supplement, section 611.20, subdivision 2, is amended to read:

Subd. 2. [PARTIAL PAYMENT.] If the court determines that the defendant is able to make partial payment, the court shall direct the partial payments to the ~~governmental unit responsible for the costs of the public defender state general fund.~~ Payments directed by the court to the state shall be recorded by the court administrator who shall transfer the payments to the state treasurer.

Sec. 5. Minnesota Statutes 1992, section 611.26, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT PUBLIC DEFENDERS.] A chief district public defender shall appoint assistants who are qualified attorneys licensed to practice law in this state and other staff as the chief district public defender finds prudent and necessary subject to the standards adopted by the state public defender. Assistant district public defenders must be appointed to ensure broad geographic representation and caseload distribution within the district. Each assistant district public defender serves at the pleasure of the chief district public defender. *A chief district public defender is authorized, subject to approval by the state board of public defense or their designee, to hire an independent contractor to perform the duties of an assistant public defender.*

Sec. 6. Minnesota Statutes 1992, section 611.26, subdivision 6, is amended to read:

Subd. 6. [PERSONS DEFENDED.] The district public defender shall represent, without charge, a defendant charged with a felony ~~or~~, a gross misdemeanor, ~~or misdemeanor~~ when so directed by the district court. ~~In the second, third, fourth, sixth, and eighth districts only,~~ The district public defender shall also represent a ~~defendant charged with a misdemeanor when so directed by the district court and shall represent~~ a minor in the juvenile court when so directed by the juvenile court.

Sec. 7. Minnesota Statutes 1993 Supplement, section 611.27, subdivision 4, is amended to read:

Subd. 4. [COUNTY PORTION OF COSTS.] That portion of subdivision 1 directing counties to pay the costs of public defense service shall not be in effect between ~~July 1, 1993~~ January 1, 1995, and July 1, 1995. This subdivision only relates to costs associated with felony ~~and~~, gross misdemeanor public defense services in all judicial districts and to, juvenile, and misdemeanor public defense services in the ~~second, third, fourth, sixth, and eighth judicial districts.~~ Notwithstanding the provisions of this subdivision, in the first, fifth, seventh, ninth, and tenth judicial districts, the cost of juvenile and misdemeanor public defense services for cases opened prior to January 1, 1995, shall remain the responsibility of the respective counties in those districts, even though the cost of these services may occur after January 1, 1995.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3, and 5 are effective July 1, 1994. Sections 4, 6, and 7 are effective January 1, 1995."

Delete the title and insert:

"A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; requiring certain dangerous repeat offenders to serve mandatory minimum sentences; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; expanding the forfeiture law's definition of "weapon used"; requiring the destruction of forfeited weapons used, firearms, ammunition, and firearm accessories; increasing the maximum fine applicable to petty misdemeanor traffic violations; requiring the sentencing guidelines commission to study the guidelines and related statutes; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; authorizing additional district court judgeships; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; amending Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.32, by adding a subdivision; 13.99, subdivision 79; 84.9691; 144.125; 145A.05, by adding a subdivision; 169.89, subdivision 2; 171.18, subdivision 1; 171.22, subdivision 2; 219.383, subdivision 4; 241.021, subdivision 2; 241.26, subdivision 7; 243.05, subdivision 1, and by adding subdivisions; 243.166, subdivision 5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, subdivision 11, and by adding a subdivision; 244.12, subdivisions 1 and 2; 244.13, subdivisions 1 and 3; 244.15, subdivision 4; 244.172, subdivision 3; 244.173; 253B.19, subdivision 2; 260.132, by adding a subdivision; 260.161, subdivision 2, and by adding subdivisions; 260.165, subdivision 1; 299A.31; 299A.32, subdivision 3; 299A.34, subdivisions 1 and 2; 299A.35, subdivision 3; 299A.36; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 477A.012, by adding subdivisions; 484.74, subdivision 4; 485.06; 487.25, by adding a subdivision; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.115, subdivision 1; 609.152, by adding a subdivision; 609.165, by adding a subdivision; 609.185; 609.223, by adding a subdivision; 609.2231, subdivision 2; 609.224, subdivision 3; 609.245; 609.25; subdivision 2; 609.26, subdivisions 1 and 6; 609.28; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 4, 9, 11, and 12; 609.342, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.506, by adding a subdivision; 609.52, subdivision 3; 609.5315, subdivisions 3, 6, and by adding a subdivision; 609.5316, subdivisions 1 and 3; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1b, 1c, and by adding subdivisions; 609.713, subdivision 3; 609.72, subdivision 1; 609.746, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.21; 624.712, by adding subdivisions; 624.7131, subdivision 2; 624.714, subdivisions 3, 4, and 6; 624.731, subdivisions 4 and 8; 626.556, subdivisions 3a, 6, and 10e; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; 631.021; 631.425, subdivision 6;

642.09; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 171.24; 241.021, subdivision 1; 242.51; 243.166, subdivisions 1, 2, and 9; 243.18, subdivision 2; 244.05, subdivision 5; 260.161, subdivision 3; 299A.35, subdivision 1; 299C.10, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 480.30; 518B.01, subdivisions 6 and 14; 593.48; 609.11, subdivisions 4, 5, 8, and by adding a subdivision; 609.1352, subdivision 1; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.531, subdivision 1; 609.5315, subdivisions 1 and 2; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1, and by adding a subdivision; 624.7131, subdivisions 1 and 10; 624.7132, subdivisions 1, 2, 4, 8, 12, and 14; 624.7181; 626.556, subdivision 2; 626.861, subdivision 4; and 628.26; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 126; 144; 241; 242; 245; 253B; 299C; 299F; 609; 611A; 624; 626; and 629; repealing Minnesota Statutes 1992, sections 8.34, subdivision 2; 152.01, subdivision 17; 299F.71; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, subdivision 2; 609.0332, subdivision 2; 609.855, subdivision 4; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; 299F.811; 299F.815, subdivision 1; and 624.7132, subdivision 7."

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

House Conferees: (Signed) Wesley J. "Wes" Skoglund, Mary Murphy, Thomas Pugh, Howard Orenstein, Warren Limmer

Senate Conferees: (Signed) Allan H. Spear, Tracy L. Beckman, Jane B. Ranum, Patrick D. McGowan, Randy C. Kelly

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2351 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. 2351 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 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Robertson
Anderson	Dille	Kroening	Morse	Runbeck
Beckman	Finn	Laidig	Murphy	Sams
Belanger	Frederickson	Langseth	Neuville	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pariseau	Stevens
Berglin	Johnson, D.E.	Luther	Piper	Stumpf
Bertram	Johnson, D.J.	Marty	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	McGowan	Price	Vickerman
Chandler	Johnston	Merriam	Ranum	Wiener
Chmielewski	Kelly	Metzen	Reichgott Junge	
Cohen	Kiscaden	Moe, R.D.	Riveness	

Ms. Pappas voted in the negative.

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

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

S.F. No. 2927: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1992, section 272.488, subdivision 1, as amended.

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

Page 2, after line 1, insert:

“Sec. 2. [CORRECTION 30.] Laws 1994, chapter 532, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. State Grants

(4,000,000)

The higher education coordinating board shall delay the implementation of the new private college cap. *If the legislature does not enact a new state grant formula during the 1995 legislative session, the change in the private college cap, as provided in Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, shall be implemented on July 1, 1995.*

For fiscal year 1995, a child care grant under Minnesota Statutes, section 136A.125, shall not cover more than 40 hours per week of child care costs.

Sec. 3. [CORRECTION 31.]

Laws 1994, chapter 532, article 2, section 20, is amended to read:

Sec. 20. [EFFECTIVE DATE.]

Section 11 is effective the day following final enactment.

Section 19, paragraph (b), is effective August 1, 1994.

Sections 6, 8, and 9 are effective July 1, 1995.

Sec. 4. [CORRECTION 32; TELEPHONE INFORMATION CHARGES.] Laws 1994, chapter 449, section 2, subdivision 3, is amended to read:

Subd. 3. [BILLING; SEGREGATED CHARGES; NOTICE.] (a) A telephone company or independent telephone company, as defined in section 237.01, or any other entity that serves as the billing agent for information

service charges shall, to the extent it has knowledge, list the charges for information services separately from charges for local and long distance telephone service charges on each telephone service subscriber's billing statement, regardless of whether an information service customer initiated a call to access the information service or whether the information service provider initiated a call to the customer to allow the customer access to the information service. It is fraud under section 325F.69 to knowingly identify information service charges as telephone charges. A common carrier is liable for fraud under this subdivision only if it knowingly participates in the misidentification.

(b) A bill or the portion of a telephone bill for information services must contain the following language printed in at least ten-point bold type or typewritten in capital letters in a color or shade that readily contrasts with the background:

"YOU HAVE THE RIGHT TO DISPUTE CHARGES FOR INFORMATION SERVICE CALLS. AS A TELEPHONE SERVICE SUBSCRIBER, YOU ARE NOT LEGALLY RESPONSIBLE FOR INFORMATION SERVICE CHARGES INCURRED BY OTHERS MINORS OR VULNERABLE ADULTS WITHOUT YOUR CONSENT EXCEPT FOR CALLS MADE BY YOUR SPOUSE. NEITHER A LONG DISTANCE COMPANY NOR YOUR LOCAL TELEPHONE COMPANY MAY DISCONNECT YOUR SERVICE BECAUSE YOU REFUSE TO PAY AN INFORMATION SERVICE CHARGE."

The notice required by this paragraph can be provided in conjunction with other required notices.

Sec. 5. [CORRECTION 34.] Minnesota Statutes 1992, section 144.871, subdivision 3, as amended by 1994 S.F. No. 2710, section 4, if enacted, is amended to read:

Subd. 3. [ABATEMENT CONTRACTOR.] "Abatement contractor" means any person hired by a property owner or resident to perform abatement of a lead source in violation of standards under section 144.878 and who is licensed by the commissioner according to rules adopted under section 144.878, subdivision 5, *unless already licensed by the department of health under sections 326.37 to 326.45.*

Sec. 6. [CORRECTION 35.] 1994 S.F. No. 2710, section 18, if enacted, is amended to read:

Sec. 18. [144.8782] [EXEMPTIONS.]

The provisions of sections 144.876 and 144.878, subdivision 5, do not apply to homeowners, apartment owners, farmers, *who do their own maintenance and remodeling work* and small business persons with 50 or fewer employees ~~who do their own maintenance and remodeling work~~, or to small contractors, excluding lead abatement contractors. Exemptions under this section also apply to purchasers of one or two unit residences *and to individuals who install point of use treatment devices for lead removal from drinking water.* Nothing in this section affects any federal grant from the Department of Housing and Urban Development or state financed swab teams.

Sec. 7. [CORRECTION 36.]

Laws 1994, chapter 527, section 7, is effective the day following its final enactment.

Sec. 8. [CORRECTION 37.] Minnesota Statutes 1993 Supplement, section 326.71, subdivision 4, as amended by 1994 S.F. No. 2710, section 19, is amended to read:

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds 260 lineal feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or, if linear feet or square feet cannot be measured, a total of 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, removal, or encapsulation of greater than ten but less than 260 lineal feet of friable asbestos-containing material on pipes or ducts or greater than six but less than 160 square feet of friable asbestos-containing material on other facility components. This provision excludes asbestos-containing floor tiles and sheeting, roofing materials, siding, and all ceilings with asbestos-containing material in single family residences and buildings with no more than four dwelling units. Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, or encapsulation, or repair operations; and an air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion.

For purposes of this subdivision, the quantity of asbestos containing material applies separately for every project permit fee paid under section 326.75, subdivision 3.

Sec. 9. [CORRECTION 38; OUT-OF-STATE PLACEMENTS.] 1994 H.F. No. 2074, section 27, subdivision 6, if enacted, is amended to read:

Sec. 27. Minnesota Statutes 1992, section 260.185, is amended by adding a subdivision to read:

Subd. 6. [OUT-OF-STATE PLACEMENTS.] (a) A court may not place a preadjudicated delinquent, an adjudicated delinquent, or a convicted extended jurisdiction juvenile in a residential or detention facility outside Minnesota unless the commissioner of corrections has certified that the facility:

(1) meets or exceeds the standards for Minnesota residential treatment programs set forth in rules adopted by the commissioner of human services and or the standards for juvenile residential facilities set forth in rules adopted by the commissioner of corrections or the standards for juvenile detention facilities set forth in rules adopted by the commissioner of corrections, as provided under paragraph (b); and

(2) provides education, health, dental, and other necessary care equivalent to that which the child would receive if placed in a Minnesota facility licensed by the commissioner of corrections or commissioner of human services.

(b) The interagency licensing agreement between the commissioners of corrections and human services shall be used to determine which rule shall be used for certification purposes under this subdivision.

(c) The commissioner of corrections may charge each facility evaluated a reasonable amount. Money received is annually appropriated to the commissioner of corrections to defray the costs of the certification program.

Sec. 10. [CORRECTION 39.] Subdivision 1. Minnesota Statutes 1992, section 297A.44, subdivision 4, is amended to read:

Subd. 4. [LOCAL OPTION TAX.] (a) The commissioner shall deposit all revenues, including interest and penalties, derived from the local option excise taxes imposed under sections 297A.021 and 297A.14 in the local government trust fund.

(b) In addition, the commissioner shall deposit revenues derived from imposing a rate of 1.5 percent on all taxable sales, including interest and penalties, under this chapter in the local government trust fund. *For sales and purchases made after June 30, 1994, the distribution to the local government trust fund shall not be adjusted to reflect the reduced tax rate on replacement capital equipment.*

Subd. 2. *Subdivision 1 is effective for sales and purchases made after June 30, 1994.*

Sec. 11. [CORRECTION 40.] Subdivision 1. Laws 1994, chapter 587, article 11, section 9, subdivision 5, if enacted, is amended to read:

Subd. 5. [PUBLIC INSTRUMENTALITY.] Revenue bonds of the authority are deemed and must be treated as instrumentalities of the public governmental agency; ~~and as such, together with interest on the bonds, are exempt from taxation.~~

Subd. 2. *Subdivision 1 is effective the day following final enactment.*

Sec. 12. [CORRECTION 41.] 1994 H.F. No. 3210, article 3, section 123, if enacted, is amended to read:

Sec. 123. [CHISAGO COUNTY HOSPITAL PROJECT.]

(a) Notwithstanding the provisions of Minnesota Statutes, section 144.551, subdivision 1, paragraph (a), a project to replace a hospital in Chisago county may be commenced if:

- (1) the new hospital is located within ten miles of the current site;
- (2) the project will result in a net reduction of licensed hospital beds; and
- (3) all hospitals within ten miles of the project agree to the general location criteria, or if the hospitals do not agree by July 1, 1994, the commissioner approves the project through the process described in paragraph (b). The hospitals may notify the commissioner and request a mutually agreed upon extension of time not to extend beyond August 15, 1994, for submission of this project to the commissioner. The commissioner shall render a decision on the project within 60 days after submission by the parties. The commissioner's decision is the final administrative decision of the agency.

(b) As expressly authorized under paragraph (a), the commissioner shall approve a project if it is determined that replacement of the existing hospital or hospitals will:

- (1) promote high quality care and services;
- (2) provide improved access to care;

- (3) not involve a substantial expansion of inpatient service capacity; and
- (4) benefit the region to be served by the new regional facility.

(c) Prior to making this determination, the commissioner shall solicit and review written comments from hospitals and community service agencies located within ten miles of the new hospital site and from the regional coordinating board.

(d) For the purposes of pursuing the ~~project~~ *process* established under this section, Chisago health services and district memorial hospital may pursue discussions and work cooperatively with each other, and with another organization mutually agreed upon, to plan for a new hospital facility to serve the area presently served by the two hospitals.

Sec. 13. [CORRECTION 43.] Minnesota Statutes 1992, section 97A.112, subdivision 2, if amended by Senate File No. 2429, is amended to read:

Subd. 2. [SPECIES AVAILABLE.] Species that may be released and hunted in a licensed shooting preserve must be specified in the license and is limited to unprotected birds, adult pheasant, and bob-white quail for private shooting preserves and *unprotected birds*, adult pheasant, bob-white quail, turkey, mallard duck, black duck, and other species designated by the commissioner for commercial shooting preserves. These game birds must be pen hatched and raised.

Sec. 14. [CORRECTION 44.] Minnesota Statutes 1992, section 290.067, subdivision 1, as amended by Laws 1994, chapter 587, article 1, section 13, if enacted, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code do not apply.

(b) If a child who is six years of age or less at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but not older than six years of age at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child ~~one year of age or less~~ *who has not attained the age of one year* at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) \$2,400 will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

Sec. 15. [EFFECTIVE DATE.]

If not otherwise provided, a section of this act that amends a provision of law passed during 1994 takes effect at the same time that the provision that it amends takes effect."

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. No. 2927 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Lesewski moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 2539. The motion prevailed.

Messrs. Moe, R.D. and Johnson, D.E. introduced—

Senate Resolution No. 97: A Senate resolution commemorating the lives and work of deceased Senators.

The Honorable Emery Barrette 1980
The Honorable C. J. Benson 1959-1972
The Honorable Leonard Dickinson 1951-1953
The Honorable William B. "Bill" Dosland 1959-1972
The Honorable Louis "Louie" A. Murray 1951-1960
The Honorable Ancher Nelsen 1935-1948
The Honorable Karl Neumeier 1937-1950
The Honorable Darrel Peterson 1981-1986
The Honorable Clifford Sommer 1966-1969

WHEREAS, those in public office need an uncommon dedication to meet the demands upon their time, resources, and talents; and

WHEREAS, in the history of the Minnesota Senate, there have been countless Senators who have left a heritage of noble deeds, thoughts, and acts; and

WHEREAS, in their endeavors to legislate for the public good of the people of this state, they strove to represent fairly the rights of the people; and

WHEREAS, their spirits continually challenge, enlighten, and encourage those who remain to honestly and diligently exercise the work of government for the public good; and

WHEREAS, Senators of today take courage and inspiration from those noble servants of another time who believed it was better to serve than to be served; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it recognizes the tremendous contributions of the following deceased Senators: The Honorable Emery Barrette, 1980; The Honorable C. J. Benson, 1959-1972; The Honorable Leonard Dickinson, 1951-1953; The Honorable William B. "Bill" Dosland, 1959-1972; The Honorable Louis "Louie" A. Murray, 1951-1960; The Honorable Ancher Nelsen, 1935-1948; The Honorable Karl Neumeier, 1937-1950; The Honorable Darrel Peterson, 1981-1986; and The Honorable Clifford Sommer, 1966-1969. Their dedication to the public good is a source of inspiration to, and is worthy of emulation by, their present-day colleagues.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare copies of this resolution, to be authenticated by his signature and that of the Chair of the Senate Rules and Administration Committee, and present them to appropriate relatives of those commemorated by this resolution.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:00 p.m. The motion prevailed.

The hour of 1:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1706. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1706 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1706

A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

May 6, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1706, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1706 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1**RADIOACTIVE WASTE MANAGEMENT FACILITY AUTHORIZATION**

Section 1. [116C.77] [LEGISLATIVE AUTHORIZATION FOR INDEPENDENT SPENT FUEL STORAGE INSTALLATION AT PRAIRIE ISLAND.]

The legislature recognizes that:

(1) the Minnesota environmental quality board on May 16, 1991, reviewed and found adequate a final environmental impact statement (“EIS”) on the proposal to construct and operate a dry cask storage facility for the temporary storage of spent nuclear fuel from the Prairie Island nuclear generating plant;

(2) the United States Nuclear Regulatory Commission reviewed and approved a safety analysis report on the facility and on October 19, 1993, granted a license for the facility; and

(3) the public utilities commission in docket no. E002/CN-91-91 reviewed the facility and approved a limited certificate of need approving the use of casks.

The Minnesota legislature in compliance with Minnesota Statutes, section 116C.72, hereby ratifies and approves the EIS and the limited certificate of need and authorizes the use of casks at Prairie Island in accordance with the terms and conditions of the certificate of need as modified by this act and without further environmental review under chapter 116D or further administrative review under section 216B.243.

Sec. 2. [116C.771] [ADDITIONAL CASK LIMITATIONS.]

(a) Five casks may be filled and used at Prairie Island immediately upon the effective date of this article.

(b) An additional four casks may be filled and used at Prairie Island if the environmental quality board determines that, by December 31, 1996, the public utility operating the Prairie Island plant has filed a license application with the United States Nuclear Regulatory Commission for a spent nuclear fuel storage facility off of Prairie Island in Goodhue county, is continuing to make a good faith effort to implement the site, and has constructed, contracted for construction and operation, or purchased installed capacity of 100 megawatts of windpower in addition to windpower under construction or contract on the effective date of this section.

(c)(1) An additional eight casks may be filled and placed at Prairie Island if the legislature has not revoked the authorization under clause (2) or the public utility has satisfied the wind power and biomass mandate requirements in article 3, section 2, subdivision 1, clause (1), and article 3, section 3, clause (1), and the alternative site in Goodhue county is operational or under construction. (2) If the site is not under construction or operational or the wind mandates are not satisfied, the legislature may revoke the authorization for the additional eight casks by a law enacted prior to June 1, 1999.

(d) Except as provided under paragraph (e), dry cask storage capacity for high-level nuclear waste within the state may not be increased beyond the casks authorized by section 1 or their equivalent storage capacity.

(e) This section does not prohibit a public utility from applying for or the public utilities commission from granting a certificate of need for dry cask storage to accommodate the decommissioning of a nuclear power plant within this state.

Sec. 3. [116C.772] [PUBLIC UTILITY RESPONSIBILITIES.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "public utility" means the public utility operating the Prairie Island nuclear generating plant.

Subd. 2. [DRY CASK ALTERNATIVES STUDY.] The public utility must submit to the legislative electric energy task force a reevaluation of all alternatives and combinations of those alternatives to dry cask storage.

Subd. 3. [WORKER TRANSITION PLAN.] The public utility must submit to the department of jobs and training a worker transition plan if there is a shutdown of the Prairie Island nuclear generating plant for longer than six months.

Subd. 4. [NUCLEAR POWER-PHASE OUT PLAN.] The public utility must submit to the electric energy task force a detailed plan for the phase-out of all nuclear power generated by the utility.

Subd. 5. [DECOMMISSIONING PLAN.] The public utility must submit to the electric energy task force a decommissioning plan for TN-40 storage casks after the casks are emptied of spent fuel.

Sec. 4. [116C.773] [CONTRACTUAL AGREEMENT.]

The authorization for dry casks contained in section 1 is not effective until the governor, on behalf of the state, and the public utility operating the Prairie Island nuclear plant enter into an agreement binding the parties to the terms of sections 2 and 3 and the mandate for 200 megawatts of windpower and 75 megawatts of biomass required by December 31, 2002, in article 3, section 2, subdivision 1, and section 3. The Mdewakanton Dakota Tribal Council at Prairie Island is an intended third-party beneficiary of this agreement and has standing to enforce the agreement.

Sec. 5. [116C.774] [AUTHORIZATION.]

To the extent that the radioactive waste management act, Minnesota Statutes, section 116C.72, requires legislative authorization of the operation of certain facilities, this section expressly authorizes the continued operation of the Monticello nuclear generating plant spent nuclear fuel pool storage facility and the Prairie Island nuclear generating plant spent nuclear fuel pool storage facility.

Sec. 6. [116C.775] [SHIPMENT PRIORITIES; PRAIRIE ISLAND.]

If a storage or disposal site becomes available outside of the state to accept high-level nuclear waste stored at Prairie Island, the waste contained in dry casks shall be shipped to that site before the shipment of any waste from the spent nuclear fuel storage pool. Once waste is shipped that was contained in a cask, the cask must be decommissioned and not used for further storage.

Sec. 7. [116C.776] [ALTERNATIVE CASK TECHNOLOGY FOR SPENT FUEL STORAGE.]

If the public utilities commission determines that casks or other containers that allow for transportation as well as storage of spent nuclear fuel exist and are economically feasible for storage and transportation of spent nuclear fuel generated by the Prairie Island nuclear power generating plan, the commission shall order their use to replace use of the casks that are only usable for storage, but not transportation. If the commission orders use of dual-purpose casks under this section, it must authorize use of a number of dual-purpose casks that provides the same total storage capacity that is authorized under this article; provided, that the total cask storage capacity permitted under this article may not exceed the capacity of the TN-40 casks authorized under section 1.

Sec. 8. [116C.777] [SITE.]

The spent fuel contents of dry casks located on Prairie Island must be moved immediately upon the availability of another site for storage of the spent fuel that is not located on Prairie Island.

Sec. 9. [116C.778] [RERACKING.]

The spent fuel storage pool at Prairie Island may be reracked a third time. The reracking does not require legislative authorization but is subject to other applicable state review. The additional storage capacity added by the third reracking and utilized when added to the total storage capacity of dry cask storage utilized, cannot exceed the total capacity of 17 TN-40 casks.

Sec. 10. [116C.779] [FUNDING FOR RENEWABLE DEVELOPMENT.]

The public utility that operates the Prairie Island nuclear generating plant must transfer to a renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the independent spent fuel storage installation at Prairie Island after January 1, 1999. The fund transfer must be made if waste is stored in a cask for any part of a year. Funds in the account can only be expended for development of renewable energy sources.

Sec. 11. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

ECONOMIC REGULATION OF NUCLEAR POWER PLANTS

Section 1. [LEGISLATIVE FINDINGS.]

The legislature finds that there is great uncertainty over the means and costs of disposing of radioactive wastes generated at nuclear-powered electric generating plants. Current and future electric ratepayers are at risk to pay for these uncertain and potentially enormous costs. These costs could cause economic hardship for the citizens of this state and damage economic growth. For these reasons the legislature finds it necessary to protect its citizens against these costs. While these potential costs do not currently warrant closing an operating nuclear power plant, they do warrant a moratorium on new nuclear plant construction and closer monitoring of operating nuclear power plants.

Sec. 2. Minnesota Statutes 1992, section 216B.243, is amended by adding a subdivision to read:

Subd. 3b. [NUCLEAR POWER PLANT; NEW CONSTRUCTION PROHIBITED.] The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.

Sec. 3. [216B.244] [NUCLEAR PLANT CAPACITY REQUIREMENTS.]

A reactor unit at a nuclear power electric generating plant that has an annual load capacity factor of less than 55 percent for each of three consecutive calendar years must be shut down and cease operating no later than 500 days after the end of the third such consecutive calendar year. For the purposes of this section, "load capacity factor" means the ratio between a reactor unit's average load and its peak load.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

ENERGY CONSERVATION AND RENEWABLES

Section 1. Minnesota Statutes 1992, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. [INVESTMENTS, EXPENDITURES, AND CONTRIBUTIONS; REGULATED UTILITIES.] (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, .5 percent of its gross operating revenues from service provided in the state; ~~and~~

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; *and*

(3) for a utility that furnishes electric service and that operates a nuclear powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

(b) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 116C.54 projects a peak demand deficit of 100 megawatts or greater within five years under mid-range forecast assumptions. A public utility may appeal a decision of the commissioner under this paragraph to the commission under subdivision 2. In reviewing a decision of the commissioner under this paragraph, the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective programs; or

(2) otherwise not be in the public interest.

(c) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. Contributions must be remitted to the commissioner of public service by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

Sec. 2. [216B.2423] [WIND POWER MANDATE.]

Subdivision 1. [MANDATE.] A public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must construct and operate, purchase, or contract to construct and operate: (1) 225 megawatts of electric energy installed capacity generated by wind energy conversion systems within the state by December 31, 1998; and (2) an additional 200 megawatts of installed capacity so generated by December 31, 2002.

For the purpose of this section, "wind energy conversion system" has the meaning given it in section 216C.06, subdivision 12.

Subd. 2. [RESOURCE PLANNING MANDATE.] The public utilities commission shall order a public utility subject to subdivision 1, to construct and operate, purchase, or contract to purchase an additional 400 megawatts of electric energy installed capacity generated by wind energy conversion systems by December 31, 2002, subject to resource planning and least cost planning requirements in Minnesota Statutes, section 216B.2422.

Sec. 3. [216B.2424] [BIOMASS POWER MANDATE.]

A public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that operates a nuclear powered electric generating plant within this state must, by December 31, 1998, construct and operate, purchase, or contract to construct and operate (1) 50 megawatts of electric energy installed capacity generated by farm grown closed-loop biomass; and (2) an additional 75 megawatts of installed capacity so generated by December 31, 2002.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1995.

Sections 2 and 3 are effective the day following final enactment.

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 216A.03, is amended by adding a subdivision to read:

Subd. 6. [RECORD OF PROCEEDINGS.] An audio magnetic recording device shall be used to keep a record of all proceedings before the commission unless the commission provides a hearing reporter to record the proceeding.

Sec. 2. Minnesota Statutes 1992, section 216B.16, subdivision 8, is amended to read:

Subd. 8. [ADVERTISING EXPENSES.] The commission shall disapprove the portion of any rate which makes an allowance directly or indirectly for expenses incurred by a public utility to provide a public advertisement which:

(a) is designed to influence or has the effect of influencing public attitudes towards legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed authorization of the public utilities commission or other agency of government responsible for regulating a public utility;

(b) is designed to justify or otherwise support or defend a rate, proposed rate, practice or proposed practice of a public utility;

(c) is designed primarily to promote consumption of the services of the utility; or

(d) is designed primarily to promote good will for the public utility or improve the utility's public image; or

(e) is designed to promote the use of nuclear power or to promote a nuclear waste storage facility.

The commission may approve a rate which makes an allowance for expenses incurred by a public utility to disseminate information which:

- (a) is designed to encourage conservation of energy supplies;
- (b) is designed to promote safety; or
- (c) is designed to inform and educate customers as to financial services made available to them by the public utility.

The commission shall not withhold approval of a rate because it makes an allowance for expenses incurred by the utility to disseminate information about corporate affairs to its owners.

Sec. 3. Minnesota Statutes 1992, section 216B.16, is amended by adding a subdivision to read:

Subd. 14. [LOW-INCOME DISCOUNT ELECTRIC RATES.] A public utility shall provide a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period for a low-income residential customer. For the purposes of this subdivision, "low-income" means a customer who is receiving assistance from the federal low-income home energy assistance program. For the purposes of this subdivision, "public utility" includes only those public utilities with more than 200,000 residential electric service customers. The commission may issue orders necessary to implement, administer, and recover the discount rate program on a timely basis.

Sec. 4. Minnesota Statutes 1992, section 216B.241, is amended by adding a subdivision to read:

Subd. 1c. [ENERGY-SAVING GOALS.] The commissioner shall establish energy-savings goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1995.

ARTICLE 5

ELECTRIC ENERGY TASK FORCE

Section 1. [216C.051] [LEGISLATIVE ELECTRIC ENERGY TASK FORCE.]

Subdivision 1. [FINDINGS.] The legislature finds that it needs more information on the future management of high-level radioactive waste, the costs of that management, and the technical and economic feasibility of utilizing alternative energy resources. Before any legislative determinations may be reasonably made that are more specific than the determinations made in this act, the legislature needs detailed, credible, and reliable information on these issues.

Subd. 2. [ESTABLISHMENT.] (a) There is established a legislative electric energy task force to study future electric energy sources and costs and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply.

(b) The task force consists of:

(1) eight members of the house of representatives including the chairs of the environment and natural resources and regulated industries and energy

committees and six members to be appointed by the speaker of the house, two of whom must be from the minority caucus;

(2) eight members of the senate including the chairs of the environment and natural resources and jobs, energy, and community development committees and six members to be appointed by the subcommittee on committees, two of whom must be from the minority caucus.

(c) The task force may employ staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the legislative coordinating commission shall assist the task force in administrative matters. The task force shall elect co-chairs, one member of the house and one member of the senate from among the committee chairs named to the committee.

Subd. 3. [FUTURE ENERGY SOLUTIONS; TECHNICAL AND ECONOMIC ANALYSIS.] In light of the electric energy guidelines established in subdivision 7 and in light of existing conservation improvement programs and plans, utility resource plans, and other existing energy plans and analyses, the legislative task force on energy shall undertake an analysis of the technical and economic feasibility of an electric energy future for the state that relies on environmentally and economically sustainable and advantageous electric energy supply. The task force shall contract with one or more energy policy experts and energy economists to assist it in its analysis. The task force may not contract for service nor employ any person who was involved in any capacity in any portion of any proceeding before the public utilities commission, the administrative law judge, the state court of appeals, or the United States Nuclear Regulatory Commission related to the dry cask storage proposal on Prairie Island.

The analysis must address at least the following:

(1) to the best of forecasting abilities, how much electric generation capacity and demand for electric energy is necessary to maintain a strong economy and a high quality of life in the state over the next 15 to 20 years; how is this demand level affected by achievement of the maximum reasonably feasible and cost effective demand side management and generation and distribution efficiencies;

(2) what alternative forms of energy can provide a stable supply of energy and are producible and sustainable in the state and at what cost;

(3) what are the costs to the state and ratepayers to ensure that new electric energy generation utilizes less environmentally damaging sources; how do those costs change as the time frame for development and implementation of new generation sources is compressed;

(4) what are the implications for delivery systems for energy produced in areas of the state that do not now have high volume transmission capability; are new transmission technologies being developed that can address some of the concerns with transmission; can a more dispersed electric generation system lessen the need for long distance transmission;

(5) what are the actual costs and benefits of purchasing electricity and fuel to generate electricity from outside the state; what are the present costs to the state's economy of exporting a large percentage of the state's energy dollars and what is the future economic impact of continuing to do so;

(6) are there benefits to be had from a large immediate investment in quickly implementing alternative electric energy sources in terms of developing an exportable technology and/or commodity; is it feasible to turn around the flow of dollars for energy so that the state imports dollars and exports energy and energy technology; what is a reasonable time frame for the shift if it is possible;

(7) are there taxation or regulatory barriers to developing more sustainable and less problematic electric energy generation; what are they specifically and how can they be specifically addressed;

(8) can an approach be developed that moves quickly to development and implementation of alternative energy sources that can be forgiving of interim failures but that is also sufficiently deliberate to ensure ultimate success on a large scale;

(9) in what specific ways can the state assist regional energy suppliers accelerate phasing out energy production processes that produce wastes or emissions that must necessarily be carefully controlled and monitored to minimize adverse effects on the environment and human health and to assist in developing and implementing base load energy production that both prevents or minimizes by its nature adverse environmental and human health effects and utilizes resources that are available or producible in the state;

(10) whether there is a need to establish additional dislocated worker assistance for workers at the Prairie Island nuclear power plant; if so, how that assistance should be structured;

(11) can the state monitor, evaluate, and affect federal actions relating to permanent storage of high level radioactive waste; what actions by the state over what period of time would expedite federal action to take responsibility for the waste;

(12) should the state establish a legislative oversight commission on energy issues; should the responsibilities of an oversight commission be coordinated with the activities of the public utilities commission and the department of public service and if so, how; and

(13) is it feasible to convert existing nuclear power and coal-fired electric generating plants to utilization of energy sources that result in significantly less environmental damage; if so, what are the short-term and long-term costs and benefits of doing so; how do shorter or longer time periods for conversion affect the cost/benefit analysis.

Subd. 4. [RADIOACTIVE WASTE MANAGEMENT; FUTURE AND ECONOMIC ANALYSIS.] The legislative task force shall analyze the future of and the economic effects of the continued generation of electric power and radioactive waste at the Prairie Island nuclear power plant. The task force shall include in its report under subdivision 5, a specific discussion of:

(1) when radioactive waste will be removed from Prairie Island for permanent storage outside of the state, who will bear the costs of the future management of the radioactive waste generated by the Prairie Island nuclear generating plant; when that shift in responsibility is likely to occur; and to what extent utility ratepayers and shareholders and state taxpayers will be shielded from the costs to manage the waste in the future;

(2) *the probability of an accident and the extent to which persons who may be at risk of personal injury or property damage due to foreseeable or unforeseeable catastrophic events that may allow the release of radioactivity from the nuclear power plant and associated activities could be fully compensated for the injuries or damage and by whom;*

(3) *a range of reasonable estimates of the costs to manage radioactive waste generated by the nuclear power plant under scenarios to be developed by the task force, ranging from monitoring the waste in the storage pool at Prairie Island to removal of waste from the state beginning in 1998 to permanent storage of the waste in the state; to the extent those costs will necessarily fall on present and future utility ratepayers and shareholders and state taxpayers, how to ensure they can be met without catastrophic disruption of the state's economy in the future; and whether funds should be set aside to ensure that present ratepayers pay the future costs of radioactive waste management based on volume of usage of electricity rather than on the rate structure of the utility;*

(4) *whether reprocessing and reuse of spent nuclear fuel generated by the Prairie Island nuclear generating plant is technically and economically feasible; if so, how to encourage development of reprocessing and reuse;*

(5) *whether emerging nuclear technologies, such as integral fast reactors, which can generate electricity without environmental damage while producing no or minimal radioactive waste, are economically feasible and practical electric energy alternatives in the foreseeable future and, if so, how to encourage and take advantage of such technologies;*

(6) *if the waste is likely to be removed from the state, whether technologies are likely to be economically feasible in the relatively near future for minimizing the handling of the waste and minimizing contamination of additional materials that will need special management prior to transport out of the state, including the availability of combination storage and transport containers;*

(7) *if the waste is unlikely to be removed from the state or if waste will need to be indefinitely stored outside the power plants after decommissioning, whether sites for storage of the waste outside the structure of the Prairie Island power plant potentially can be found that minimize economic and social disruption, maximize environmental, health, and safety protection, minimize transportation distance, and place the burden of storage of the waste on those communities that enjoy the immediate economic benefits of the existence and operation of the power plants; if potential sites exist, what process should be used to identify and utilize them if necessary; the entity that is searching for an alternative site within the state for the disposal of spent nuclear fuel from the Prairie Island nuclear generating plant, is seeking permits for the site, or is constructing the site shall report progress on those activities every six months to the task force commencing January 1, 1995;*

(8) *factors to be used in siting a high-level radioactive waste management facility to include at least:*

(i) the proximity of the site to residents and businesses;

(ii) the proximity of the site to surface waters;

(iii) the vulnerability of the site to tornadoes and other natural phenomena;

(iv) the benefits received and the costs incurred by the host and adjacent communities due to operation of the nuclear generating facility that produced the high-level radioactive waste to be managed at the proposed facility;

(v) the benefits received and costs incurred by the host and adjacent communities due to operation of the proposed waste management facility; and

(vi) the availability of transportation routes between the nuclear generating plant and the proposed waste management facility; and

(9) federal law related to the interstate transportation of high-level radioactive waste and how that law may operate in relation to an independent spent fuel storage installation located in the state.

Subd. 5. [REPORT AND RECOMMENDATIONS.] (a) The legislative task force may contract with independent experts, none of whom can have been involved in any capacity in any of the proceedings before the public utilities commission, the administrative law judge, or the court of appeals related to dry cask storage at Prairie Island or in any proceedings related to the license for the facility granted by the United States Nuclear Regulatory Commission, to assist it with analysis of items and issues listed in subdivisions 3 and 4.

(b) The legislative task force shall convene a separate balanced group of experts in the fields of energy production and distribution and energy economics from within and without the state to include experts formerly or currently employed by the department of public service and/or the public utilities commission, an economist employed by the residential and small business division of the office of the attorney general, electric energy experts employed by utilities, experts from other states that have begun to implement policies for utilizing indigenous, sustainable energy sources, experts from public advocacy groups, and others to be determined by the task force. The task force shall request the group of experts to assist it in publicly examining and analyzing information received from the independent experts and in preparing the report required in paragraph (c).

(c) By January 15, 1996, the task force shall submit a report to the chairs of the committees in the house and in the senate that have responsibility for energy and for environmental and natural resources issues that contains an overview of plans and analyses that have been prepared, a critique of how those plans and analyses will assist in implementation of the energy conservation and sources for generation policies and goals in Minnesota Statutes, chapters 216B and 216C, and specific recommendations for legislative action that will ensure development and implementation of electric energy policy that will provide the state with adequate, sustainable, and economic electric power for the long term while utilizing, to the maximum reasonable extent, energy resources that are available or producible within the state and while developing, maintaining, and strengthening a viable and robust energy and utility infrastructure.

(d) By February 1, 1995, the task force shall submit to the chairs of the committees specified in paragraph (c), a preliminary report that provides:

(1) an overview of the current status of energy planning and implementation of those plans by state agencies and utilities, along with an analysis of the extent to which existing statutory energy policies and goals are being met for electric energy consumed in the state;

(2) *an analysis of and any recommendations for adjustments to the specific targets set in section 1, subdivisions 4 and 5, relating to energy savings, electric generation sources for replacement and additional capacity needs, and development of wind and biomass energy sources; and*

(3) *as much information as the task force has been able to gather on future high-level radioactive waste management and transportation, including technologies and costs.*

Subd. 6. [ASSESSMENT; APPROPRIATION.] On request by the co-chairs of the legislative task force and the director of the legislative coordinating commission, the commissioner of the department of public service shall assess from electric utilities, in addition to assessments made under Minnesota Statutes, section 216B.62, the amount requested for the studies and analysis required in subdivisions 3 and 4 and for operation of the task force not to exceed \$350,000. The amount assessed under this section is appropriated to the director of the legislative coordinating commission for those purposes.

Subd. 7. [GUIDELINES; PREFERRED ELECTRIC GENERATION SOURCES; DEFINITIONS.] (a) The legislative task force on electric energy shall undertake its responsibilities in light of the guidelines specified in this subdivision.

(b) The highest priority in electric energy production and consumption is conservation of electric energy and management of demand by all segments of the community.

(c) The following energy sources for generating electric power distributed in the state, listed in their descending order of preference, based on minimizing long-term negative environmental, social, and economic burdens imposed by the specific energy sources, are:

(1) wind and solar;

(2) biomass and low-head or refurbished hydropower;

(3) decomposition gases produced by solid waste management facilities, natural gas-fired cogeneration, and waste materials or byproducts combined with natural gas;

(4) natural gas, hydropower that is not low-head or refurbished hydropower, and solid waste as a direct fuel or refuse-derived fuel; and

(5) coal and nuclear power.

(d) For the purposes of paragraph (c) within each clause, the more efficient an energy source is in generating electricity or the more efficient a technology is that utilizes an energy source, the more preferred it is for use in generating electricity for distribution and consumption in the state.

(e) For the purposes of paragraph (c), clauses (3) and (4), the use of waste materials and byproducts for generating electric power must be limited to those waste materials and byproducts that are necessarily generated or produced by efficient processes and systems. Preventing and minimizing waste and byproducts are preferred in every situation to relying on the continued generation or production of waste materials and byproducts.

(f) For the purposes of this section, "preferred" or "renewable" energy sources are those described in paragraph (c), clauses (1) to (3), and

"subordinate" or "traditional" energy sources are those described in paragraph (c), clauses (4) and (5).

(g) For the purposes of this section:

(1) "biomass" means herbaceous crops, trees, agricultural waste, and aquatic plant matter, excluding mixed municipal solid waste, as defined in section 115A.03, used to generate electricity; and

(2) "low-head hydropower" means a hydropower facility that has a head of less than 66 feet.

Subd. 8. [SUBPOENA POWER.] The task force may issue a subpoena under Minnesota Statutes, section 3.153, to any person for production of information held by that person that is relevant to the work of the task force.

Subd. 9. [REPEALER.] This section is repealed June 30, 2000.

ARTICLE 6

ALTERNATIVE SITE

Section 1. [116C.80] [HIGH-LEVEL RADIOACTIVE WASTE; SPENT NUCLEAR FUEL STORAGE; ALTERNATIVE SITE.]

Subdivision 1. [DEFINITION; DRY CASK STORAGE FACILITY.] For the purposes of this section, "dry cask storage facility" or "facility" means a high-level radioactive waste facility that is located in Goodhue county but not on Prairie Island for storage of spent nuclear fuel produced by a nuclear reactor at the Prairie Island nuclear power generating plant.

Subd. 2. [CERTIFICATE OF SITE COMPARABILITY.] Prior to construction of a dry cask storage facility, the public utility that operates the nuclear power generating power plant at Prairie Island shall obtain a certificate from the environmental quality board that the site for the facility is comparable to the independent spent fuel storage facility site located on Prairie Island for which the public utilities commission granted a certificate of need in docket number E002/CN-91-91.

Subd. 3. [REVIEW BY THE BOARD.] The board shall review the siting procedures and considerations for siting large energy electric generating plants under sections 116C.51 to 116C.69 and rules adopted under those sections and shall adopt, by resolution, after a public comment period, those procedures, considerations, and rules it determines are necessary to designate a site for a dry cask storage facility and to issue a certificate of site comparability. The siting procedures and considerations must provide for an opportunity for all interested persons to participate."

Delete the title and insert:

"A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; creating a legislative electric energy task force;

appropriating money; amending Minnesota Statutes 1992, sections 216A.03, by adding a subdivision; 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a, and by adding a subdivision; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; and 216C."

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

Senate Conferees: (Signed) Steven G. Novak, James P. Metzen, Steve Dille, Steve L. Murphy, Phil J. Riveness

House Conferees: (Signed) Loren Jennings, Lyndon R. Carlson, Virgil J. Johnson

Mr. Novak moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1706 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 42 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Hanson	Kroening	Murphy	Sams
Belanger	Hottinger	Laidig	Neuville	Samuelson
Benson, D.D.	Janezich	Langseth	Novak	Solon
Benson, J.E.	Johnson, D.E.	Larson	Oliver	Stevens
Berg	Johnson, D.J.	Lesewski	Olson	Terwilliger
Bertram	Johnston	Lessard	Pariseau	Vickerman
Chmielewski	Kelly	McGowan	Riveness	
Day	Kiscaden	Metzen	Robertson	
Dille	Knutson	Moe, R.D.	Runbeck	

Those who voted in the negative were:

Anderson	Cohen	Luther	Piper	Spear
Beckman	Finn	Marty	Pogemiller	Wiener
Berglin	Flynn	Mondale	Price	
Betzold	Frederickson	Morse	Ranum	
Chandler	Johnson, J.B.	Pappas	Reichgott Junge	

The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1706 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.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Hanson	Kroening	Moe, R.D.	Runbeck
Belanger	Hottinger	Laidig	Murphy	Sams
Benson, D.D.	Janezich	Langseth	Neuville	Samuelson
Benson, J.E.	Johnson, D.E.	Larson	Novak	Solon
Berg	Johnson, D.J.	Lesewski	Oliver	Stevens
Bertram	Johnston	Lessard	Olson	Terwilliger
Chmielewski	Kelly	McGowan	Pariseau	Vickerman
Day	Kiscaden	Merriam	Riveness	
Dille	Knutson	Metzen	Robertson	

Those who voted in the negative were:

Anderson	Finn	Marty	Pogemiller	Stumpf
Berglin	Flynn	Mondale	Price	Wiener
Betzold	Frederickson	Morse	Ranum	
Chandler	Johnson, J.B.	Pappas	Reichgott Junge	
Cohen	Luther	Piper	Spear	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 2189 at 3:30 p.m.:

Messrs. Pogemiller, Janezich, Ms. Robertson and Pappas. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3086, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3086 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 3086

A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; transferring certain personnel, powers, and duties back to the office of waste management; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of waste management; amending Minnesota Statutes 1992, sections 115.073; 115A.055; 115B.42, subdivision 1, and by adding subdivisions; 115C.03, subdivision 9; 116G.15; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivision 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing

Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 3086, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 3086 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. Minnesota Statutes 1992, section 115B.04, is amended by adding a subdivision to read:

Subd. 4a. [CLAIMS BY MIXED MUNICIPAL SOLID WASTE DISPOSAL FACILITIES.] (a) Except as provided in paragraph (b), liability under this section for claims by owners or operators of mixed municipal solid waste disposal facilities that accept waste on or after April 9, 1994, and are not qualified facilities under section 115B.39, subdivision 2, is limited to liability for response costs exceeding the amount of available financial assurance funds required under section 116.07, subdivision 4h.

(b) This subdivision does not affect liability under this section for claims based on the illegal disposal of waste at a facility.

Sec. 2. [115B.39] [LANDFILL CLEANUP PROGRAM; ESTABLISHMENT.]

Subdivision 1. [ESTABLISHMENT.] The landfill cleanup program is established to provide environmental response at qualified facilities and is to be administered by the commissioner.

Subd. 2. [DEFINITIONS.] (a) In addition to the definitions in this subdivision, the definitions in sections 115A.03 and 115B.02 apply to sections 115B.39 to 115B.46, except as specifically modified in this subdivision.

(b) “Cleanup order” means a consent order between responsible persons and the agency or an order issued by the United States Environmental Protection Agency under section 106 of the Federal Superfund Act.

(c) “Closure” means actions to prevent or minimize the threat to public health and the environment posed by a mixed municipal solid waste disposal facility that has stopped accepting waste by controlling the sources of releases or threatened releases at the facility. “Closure” includes removing contaminated equipment and liners; applying final cover; grading and seeding final cover; installing wells, borings, and other monitoring devices; constructing groundwater and surface water diversion structures; and installing gas control systems and site security systems, as necessary. The commissioner may authorize use of final cover that includes processed materials that meet

the requirements in Code of Federal Regulations, title 40, section 503.32, paragraph (a).

(d) "Contingency action" means organized, planned, or coordinated courses of action to be followed in case of fire, explosion, or release of solid waste, waste by-products, or leachate that could threaten human health or the environment.

(e) "Corrective action" means steps taken to repair facility structures including liners, monitoring wells, separation equipment, covers, and aeration devices and to bring the facility into compliance with design, construction, groundwater, surface water, and air emission standards.

(f) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

(g) "Environmental response action" means response action at a qualified facility, including corrective action, closure, postclosure care; contingency action; environmental studies, including remedial investigations and feasibility studies; engineering, including remedial design; removal; remedial action; site construction; and other similar cleanup-related activities.

(h) "Environmental response costs" means:

(1) costs of environmental response action, not including legal or administrative expenses; and

(2) costs required to be paid to the federal government under section 107(a) of the federal Superfund Act, as amended.

(i) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility.

(j) "Qualified facility" means a mixed municipal solid waste disposal facility, including adjacent property used for solid waste disposal, that:

(1) is or was permitted by the agency;

(2) stopped accepting solid waste, except demolition debris, for disposal by April 9, 1994; and

(3) stopped accepting demolition debris for disposal by June 1, 1994, except that demolition debris may be accepted until May 1, 1995, at a permitted area where disposal of demolition debris is allowed, if the area where the demolition debris is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited.

Sec. 3. [115B.40] [PROGRAM.]

Subdivision 1. [RESPONSE TO RELEASES.] The commissioner may take any environmental response action, including emergency action, related to a release or threatened release of a hazardous substance, pollutant or contaminant, or decomposition gas from a qualified facility that the commissioner deems reasonable and necessary to protect the public health or welfare or the environment under the standards required in sections 115B.01 to 115B.24. The commissioner may undertake studies necessary to determine reasonable and necessary environmental response actions at individual facilities. The commissioner may develop general work plans for environmental studies, presumptive remedies, and generic remedial designs for facilities with similar

characteristics. Prior to selecting environmental response actions for a facility, the commissioner shall hold at least one public informational meeting near the facility and provide for receiving and responding to comments related to the selection. The commissioner shall design, implement, and provide oversight consistent with the actions selected under this subdivision.

Subd. 2. [PRIORITY LIST.] (a) The commissioner shall establish a priority list for preventing or responding to releases of hazardous substances, pollutants and contaminants, or decomposition gases at qualified facilities. The commissioner shall periodically revise the list to reflect changing conditions at facilities that affect priority for response actions. The initial priority list must be established by January 1, 1995.

(b) The priority list required under this subdivision must be based on the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facility, the potential for contamination of drinking water supplies, the potential for direct human contact, and the potential for destruction of sensitive ecosystems.

Subd. 3. [NOTIFICATION.] By September 1, 1994, the commissioner shall notify the owner or operator of, and persons subject to a cleanup order at, each qualified facility of whether the requirements of subdivision 4 or 5 have been met. If the requirements have not been met at a facility, the commissioner, by the earliest practicable date, shall notify the owner or operator and persons subject to a cleanup order of what actions need to be taken.

Subd. 4. [QUALIFIED FACILITY NOT UNDER CLEANUP ORDER; DUTIES.] (a) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) complete closure activities at the facility, or enter into a binding agreement with the commissioner to do so, as provided in paragraph (d), within one year from the date the owner or operator is notified by the commissioner under subdivision 3 of the closure activities that are necessary to properly close the facility in compliance with facility's permit, closure orders, or enforcement agreement with the agency, and with the solid waste rules in effect at the time the facility stopped accepting waste;

(2) undertake or continue postclosure care at the facility until the date of notice of compliance under subdivision 7;

(3) transfer to the commissioner of revenue for deposit in the landfill cleanup account established in section 115B.42 any funds required for proof of financial responsibility under section 116.07, subdivision 4h, that remain after facility closure and any postclosure care and response action undertaken by the owner or operator at the facility including, if proof of financial responsibility is provided through a letter of credit or other financial instrument or mechanism that does not accumulate money in an account, the amount that would have accumulated had the owner or operator utilized a trust fund, less any amount used for closure, postclosure care, and response action at the facility;

(4) provide the commissioner with a copy of all applicable comprehensive general liability insurance policies and other liability policies relating to property damage, certificates, or other evidence of insurance coverage held during the life of the facility; and

(5) enter into a binding agreement with the commissioner to:

(i) take any actions necessary to preserve the owner or operator's rights to payment or defense under insurance policies included in clause (4); cooperate with the commissioner in asserting claims under the policies; and, within 60 days of a request by the commissioner, but no earlier than July 1, 1996, assign only those rights under the policies related to environmental response costs;

(ii) cooperate with the commissioner or other persons acting at the direction of the commissioner in taking additional environmental response actions necessary to address releases or threatened releases and to avoid any action that interferes with environmental response actions, including allowing entry to the property and to the facility's records and allowing entry and installation of equipment; and

(iii) refrain from developing or altering the use of property described in any permit for the facility except after consultation with the commissioner and in conformance with any conditions established by the commissioner for that property, including use restrictions, to protect public health and welfare and the environment.

(b) The owner or operator of a qualified facility that is a political subdivision may use a portion of any funds established for response at the facility, which are available directly or through a financial instrument or other financial arrangement, for closure or postclosure care at the facility if funds available for closure or postclosure care are inadequate and shall assign the rights to any remainder to the commissioner.

(c) The agreement required in paragraph (a), clause (5), must be in writing and must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

(d) A binding agreement entered into under paragraph (a), clause (1), may include a provision that the owner or operator will reimburse the commissioner for the costs of closing the facility to the standard required in that clause.

Subd. 5. [QUALIFIED FACILITY UNDER CLEANUP ORDER; DUTIES.] (a) For a qualified facility that is subject to a cleanup order, persons identified in the order shall complete construction of the remedy required under the cleanup order and:

(1) for a federal order, receive a concurrent determination of the United States Environmental Protection Agency and the agency or commissioner that the remedy is functioning properly and is performing as designed; or

(2) for a state order, receive acknowledgment from the agency or commissioner that the obligations under the order for construction of the remedy have been met.

(b) The owner or operator of a qualified facility that is subject to a cleanup order, in addition to any applicable requirement in paragraph (a), shall comply with subdivision 4, paragraph (a), clauses (3) to (5).

Subd. 6. [COMMISSIONER; DUTIES.] (a) If the owner or operator of a qualified facility fails to comply with subdivision 4, paragraph (a), clause (1) or (2), the commissioner shall:

(1) undertake or complete closure activities at the facility in compliance with the solid waste rules in effect at the time the commissioner takes action under this clause; and

(2) undertake or continue postclosure care at the facility as required under subdivision 2.

(b) If a facility has been properly closed under subdivision 4, but the applicable closure requirements are less environmentally protective than closure requirements in the solid waste rules in effect on January 1, 1993, the commissioner shall determine whether the facility should be closed to the higher standards and, if so, shall undertake additional closure activities at the facility to meet those standards. The commissioner may determine that additional closure activities are unnecessary only if it is likely that response actions will be taken in the near future and that those response actions will result in removal or significant alteration of the closure activities or render the closure activities unnecessary.

Subd. 7. [NOTICE OF COMPLIANCE; EFFECTS.] (a) The commissioner shall provide written notice of compliance to the appropriate owner or operator or person subject to a cleanup order when:

(1) the commissioner determines that the requirements of subdivision 4 or 5 have been met; and

(2) the person who will receive the notice has submitted to the commissioner a written waiver of any claims the person may have against any other person for recovery of any environmental response costs related to a qualified facility that were incurred prior to the date of notice of compliance.

(b) Beginning on the date of the notice of compliance:

(1) the commissioner shall assume all obligations of the owner or operator or person for environmental response actions under the federal Superfund Act and any federal or state cleanup orders and shall undertake all further action under subdivision 1 at or related to the facility that the commissioner deems appropriate and in accordance with the priority list; and

(2) the commissioner may not seek recovery against the owner or operator of the facility or any responsible person of any costs incurred by the commissioner for environmental response action at or related to the facility, except:

(i) to the extent of insurance coverage held by the owner or operator or responsible person; or

(ii) as provided in section 115B.402.

(c) The commissioner and the attorney general shall communicate with the United States Environmental Protection Agency addressing the manner and procedure for the state's assumption of federal obligations under paragraph (b), clause (1).

Subd. 8. [STATUTES OF LIMITATIONS.] (a) With respect to claims for recovery of environmental response costs related to qualified facilities, the running of all applicable periods of limitation under state law is suspended until July 1, 2004.

(b) A waiver of claims for recovery of environmental response costs under this section or section 115B.43 is extinguished for that portion of reimbursable costs under section 115B.43 that have not been reimbursed by July 1, 2004.

Sec. 4. [115B.402] [ILLEGAL ACTIONS AT QUALIFIED FACILITIES.]

The commissioner may recover under section 115B.17, subdivision 6, that portion of the costs of response actions at any qualified facility attributable to a person who otherwise would be responsible for the release or threatened release under section 115B.03, and whose actions related to the release or threatened release were in violation of federal or state hazardous waste management laws in effect at the time of those actions. The commissioner's determination of the portion of the costs of a response action attributable to a person under this section, based on the volume and toxicity of waste in the facility associated with the person and other factors reasonably related to the contribution of the person to a release or threatened release, is prima facie evidence that those costs are attributable to the person.

Sec. 5. [115B.405] [EXCLUDED FACILITIES.]

Subdivision 1. [APPLICATION.] The owner or operator of a qualified facility may apply to the commissioner for exclusion from the landfill cleanup program under sections 115B.39, 115B.40, 115B.41, 115B.412, and 115B.43. Applications must be received by the commissioner by February 1, 1995. The owner or operator of a qualified facility that is subject to a federal cleanup order or that includes any portion that is tax-forfeited may not apply for exclusion under this section. In addition to other information required by the commissioner, an application must include a disclosure of all financial assurance accounts established for the facility. Applications for exclusion must:

(1) show that the operator or owner is complying with the agency's rules adopted under section 116.07, subdivision 4h, and is complying with a financial assurance plan for the facility that the commissioner has approved after determining that the plan is adequate to provide for closure, postclosure care, and contingency action;

(2) demonstrate that the facility is closed or is in compliance with a closure schedule approved by the commissioner; and

(3) include a waiver of all claims for recovery of costs incurred under sections 115B.01 to 115B.24 and the federal Superfund Act at or related to a qualified facility.

Subd. 2. [EVALUATION OF EXCLUSION STATUS.] Within 90 days after the commissioner has received a complete application for exclusion, the commissioner shall notify the owner or operator if the facility is excluded. If the commissioner finds that the facility does not satisfy the requirements for exclusion, the commissioner shall notify the owner or operator of that fact.

Subd. 3. [RESTRICTION ON USE OF PROPERTY AT EXCLUDED FACILITIES.] (a) A person may not use any property described in the most recent agency permit issued for an excluded facility in any way that disturbs the integrity of the final cover, liners, or any other components of any containment system, or the function of the facility's monitoring systems, unless the agency finds that the disturbance:

(1) is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(2) is necessary to reduce a threat to human health or the environment.

(b) Before any transfer of ownership of property described in paragraph (a), the owner must obtain approval from the commissioner. The commissioner shall approve a transfer if the owner can demonstrate to the satisfaction of the commissioner that persons and property will not be exposed to undue risk from releases of hazardous substances or pollutants or contaminants.

(c) After obtaining approval from the commissioner, the owner shall record with the county recorder of the county in which the property is located an affidavit containing a legal description of the property that discloses to any potential transferee:

(1) that the land has been used as a mixed municipal solid waste disposal facility;

(2) the identity, quantity, location, condition, and circumstances of the disposal and any release of hazardous substances or pollutants or contaminants from the facility to the full extent known or reasonably ascertainable; and

(3) that the use of the property or some portion of it may be restricted as provided in paragraph (a).

(d) An owner must also file an affidavit within 60 days after any material change in any matter required to be disclosed under paragraph (c), with respect to property for which an affidavit has already been recorded. If the owner or any subsequent owner of the property removes the waste from the facility together with any residues, liner, and contaminated underlying and surrounding soil, that owner may record an affidavit indicating the removal. Failure to record an affidavit as provided in this paragraph does not affect or prevent any transfer of ownership of the property.

(e) The county recorder shall record all affidavits presented in accordance with paragraphs (c) and (d). The affidavits must be recorded in a manner that will ensure their disclosure in the ordinary course of a title search of the subject property.

(f) This subdivision is enforceable under sections 115.071 and 116.072.

Subd. 4. [CLOSURE.] If the commissioner determines that the owner or operator of an excluded facility did not complete the terms of an approved closure plan by the date in the plan, the commissioner shall complete closure at the facility and may seek cost recovery against the owner or operator under section 115B.17, subdivision 6.

Sec. 6. [115B.41] [ALLOCATION OF COSTS; FAILURE TO COMPLY.]

Subdivision 1. [ALLOCATION AND RECOVERY OF COSTS.] (a) A person who is subject to the requirements in section 115B.40, subdivision 4, or subdivision 5, paragraph (b), is responsible for all environmental response costs incurred by the commissioner at or related to the facility until the date of notice of compliance under section 115B.40, subdivision 7. The commissioner may use any funds available for closure, postclosure care, and response action established by the owner or operator. If those funds are insufficient or if the owner or operator fails to assign rights to them to the commissioner, the

commissioner may seek recovery of environmental response costs against the owner or operator in the county of Ramsey or in the county where the facility is located or where the owner or operator resides.

(b) In an action brought under this subdivision in which the commissioner prevails, the court shall award the commissioner reasonable attorney fees and other litigation expenses incurred by the commissioner to bring the action. All costs, fees, and expenses recovered under this subdivision must be deposited in the environmental fund and credited to the landfill cleanup account established in section 115B.42.

Subd. 2. [ENVIRONMENTAL RESPONSE COSTS; LIENS.] All environmental response costs, including administrative and legal expenses, incurred by the commissioner at a qualified facility before the date of notice of compliance under section 115B.40, subdivision 7, constitute a lien in favor of the state upon any real property located in the state, other than homestead property, owned by the owner or operator who is subject to the requirements of section 115B.40, subdivision 4 or 5. A lien under this subdivision attaches when the environmental response costs are first incurred and continues until the lien is satisfied or becomes unenforceable as for an environmental lien under section 514.672. Notice, filing, and release of the lien are governed by sections 514.671 to 514.676, except where those requirements specifically are related to only cleanup action expenses as defined in section 514.671. Relative priority of a lien under this subdivision is governed by section 514.672, except that a lien attached to property that was included in any permit for the solid waste disposal facility takes precedence over all other liens regardless of when the other liens were or are perfected. Amounts received to satisfy all or a part of a lien must be deposited in the landfill cleanup account.

Subd. 3. [LOCAL GOVERNMENT AID; OFFSET.] If an owner or operator fails to comply with section 115B.40, subdivision 4, or 5, paragraph (b), fails to remit payment of environmental response costs incurred by the commissioner before the date of notice of compliance under section 115B.40, subdivision 7, and is a local government unit, the commissioner may seek payment of the costs from any state aid payments, except payments made under section 115A.557, subdivision 1, otherwise due the local government unit. The commissioner of revenue, after being notified by the commissioner that the local government unit has failed to pay the costs and the amount due, shall pay an annual proportionate amount of the state aid payment otherwise payable to the local government unit into the landfill cleanup account that will, over a period of no more than five years, satisfy the liability of the local government unit for the costs.

Subd. 4. [DISQUALIFICATION; PERMITS.] If an owner or operator of a qualified facility that is not a local government unit does not undertake closure or postclosure care in compliance with section 115B.40, subdivision 4, the owner or operator is ineligible to obtain or renew a state or local permit or license to engage in a business that manages solid waste. Failure of an owner or operator that is not a local government unit to complete closure or postclosure care at a qualified facility is prima facie evidence of the lack of fitness of that owner or operator to conduct any solid waste business and is grounds for revocation of any solid waste business permit or license held by that owner or operator.

For the purposes of this subdivision and subdivision 2, "owner or operator" means a person, partnership, firm, limited liability company,

cooperative, association, corporation, or other entity and includes any entity in which the owner or operator owns a controlling interest.

Subd. 5. [EXPEDITED CLOSURE.] *To expedite compliance with section 115B.40, subdivision 4, a person other than an owner or operator may undertake closure or postclosure care in compliance with that subdivision under an agreement with the commissioner.*

Sec. 7. [115B.412] [PROGRAM OPERATION]

Subdivision 1. [DUTY TO PROVIDE INFORMATION.] *Any person who the commissioner has reason to believe has or may obtain information related to the generation, composition, transportation, treatment, or disposal of waste in a qualified facility or who has or may obtain information related to the ownership or operation of a facility shall furnish to the commissioner or the commissioner's designee any information that person may have or may reasonably obtain that is relevant to a release or threatened release at a qualified facility.*

Subd. 2. [ACCESS TO INFORMATION AND PROPERTY.] *The commissioner or a person designated by the commissioner, on presentation of credentials, may:*

(1) *examine and copy any books, papers, records, memoranda, or data of any person who has a duty to provide information to the agency under subdivision 1; and*

(2) *enter upon any property, public or private, for the purpose of taking any action authorized by sections 115B.39 to 115B.43 including obtaining information from any person who has a duty to provide the information under subdivision 1, conducting surveys or investigations, and taking response action.*

This subdivision and subdivision 1 are enforceable under sections 115.071 and 116.072. If the commissioner prevails in an enforcement action under this subdivision, the commissioner may recover all costs, including court costs, attorney fees, and administrative costs, related to the enforcement action.

Subd. 3. [ACQUISITION AND DISPOSITION OF REAL PROPERTY.] *The commissioner may acquire and dispose of real property the commissioner deems reasonably necessary for environmental response actions at or related to a qualified facility under section 115B.17, subdivisions 15 and 16.*

Subd. 4. [AFFECTED REAL PROPERTY; NOTICE.] (a) *The commissioner shall provide to affected local government units, to be available as public information, and shall make available to others, on request, a description of the real property described in the original and any revised permits for a qualified facility, along with a description of activities that will be or have been taken on the property under sections 115B.39 to 115B.43 and a reasonably accurate description of the types, locations, and potential movement of hazardous substances, pollutants and contaminants, or decomposition gases related to the facility. The commissioner shall provide and make this information available at the time the facility is placed on the priority list under section 115B.40, subdivision 2; shall revise, provide, and make the information available when response actions, other than long-term maintenance actions, have been completed; and shall revise the information over time if significant changes occur that make the information obsolete or misleading.*

(b) A local government unit that receives information from the commissioner under paragraph (a) shall incorporate that information in any land use plan that includes the affected property and shall notify any person who applies for a permit related to development of the affected property of the existence of the information and, on request, provide a copy of the information.

Subd. 5. [ENVIRONMENTAL LIEN.] An environmental lien for environmental response costs incurred, including reimbursements made under section 115B.43, by the commissioner under sections 115B.39 to 115B.46 attaches in the same manner as a lien under sections 514.671 to 514.676, to all the real property described in the original and any revised permits for a qualified facility and any adjacent property owned by the facility owner or operator from the date the first assessment, closure, postclosure care, or response activities related to the facility are undertaken by the commissioner. For the purposes of filing an environmental lien under this subdivision, the term "cleanup action" as used in sections 514.671 to 514.676 includes all of the costs incurred by the commissioner to assess, close, maintain, monitor, and respond to releases at qualified facilities under sections 115B.39 to 115B.46. Notwithstanding section 514.672, subdivision 4, a lien under this paragraph takes precedence over all other liens on the property regardless of when the other liens were or are perfected. For the purpose of this subdivision, "owner or operator" has the meaning given it in section 115B.41, subdivision 4.

Subd. 6. [CONTRACTS.] The commissioner shall, to the extent practicable, ensure that contracts for activities or consulting services under this section are entered into with contractors or consultants located within the region where the facility subject to the contracts is located. The commissioner shall tailor specifications in requests for proposals to the types of activities or services that need to be undertaken at a specific facility or group of facilities located in the same region and shall not include specifications that require specialized expertise or laboratory work not available within the region unless it is necessary to do so to meet the requirements of this section.

Subd. 7. [SEPARATE ACCOUNTING.] The commissioner shall maintain separate accounting for each qualified facility regarding:

(1) the amount of financial assurance funds transferred under section 115B.40, subdivisions 4 and 5; and

(2) costs of response actions taken at the facility.

Subd. 8. [TRANSFER OF TITLE.] The owner of a qualified facility may, as part of the owner's activities under section 115B.40, subdivision 4 or 5, offer to transfer title to all the property described in the facility's most recent permit, including any property adjacent to that property the owner wishes to transfer, to the commissioner. The commissioner may accept the transfer of title if the commissioner determines that to do so is in the best interest of the state.

Subd. 9. [LAND MANAGEMENT PLANS.] The commissioner shall develop a land use plan for each qualified facility. All local land use plans must be consistent with a land use plan developed under this subdivision. Plans developed under this subdivision must include provisions to prevent any use that disturbs the integrity of the final cover, liners, any other components of any containment system, or the function of any monitoring systems unless the commissioner finds that the disturbance:

(1) is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(2) is necessary to reduce a threat to human health or the environment.

Before completing any plan under this subdivision, the commissioner shall consult with the commissioner of finance regarding any restrictions that the commissioner of finance deems necessary on the disposition of property resulting from the use of bond proceeds to pay for response actions on the property, and shall incorporate the restrictions in the plan.

Subd. 10. [REPORT.] By October 1 of each year, the commissioner shall report to the legislative commission on waste management and to the appropriate finance committees of the senate and the house of representatives on the commissioner's activities under sections 115B.39 to 115B.43 and the commissioner's anticipated activities during future fiscal years.

Subd. 11. [RULES.] The commissioner may adopt rules necessary to implement sections 115B.39 to 115B.43.

Sec. 8. [115B.414] [THIRD-PARTY CLAIMS; MEDIATION; DEFENSE.]

Subdivision 1. [THIRD-PARTY CLAIMS; DEFINITION.] For the purposes of this section, "third-party claims" means claims made against mixed municipal solid waste generators by a responsible person or group of responsible persons under state or federal law for payment of response costs and related costs at a qualified facility, when the claimant or claimants do not produce evidence, other than statistical or circumstantial evidence, that the persons against whom the claims are made ever arranged for disposal or transported for disposal mixed municipal solid waste containing a hazardous substance or pollutant or contaminant to the facility.

Subd. 2. [MEDIATION.] A third-party claim or group of third-party claims that all arise from the same facility may be submitted to the Minnesota office of dispute resolution for mediation under the Minnesota civil mediation act, sections 572.31 to 572.40. The costs of mediation must be allocated equally between the person or persons against whom the claims are made and the person or persons making the claims.

Subd. 3. [PARTIAL REIMBURSEMENT.] A person or persons against whom one or more third-party claims are made may seek reimbursement from the commissioner of one-half of the costs of mediation allocated to the person or persons under subdivision 2. The commissioner shall reimburse the person or persons that request reimbursement unless the commissioner finds that the mediation was not entered into and conducted in good faith by the person or persons seeking reimbursement.

Subd. 4. [DEFENSE COSTS.] If a person or persons against whom one or more third-party claims are made request the person or persons making the claims to submit the claims to mediation and the claimants refuse to submit to mediation or if the person or persons against whom third-party claims are made enter into and conduct the mediation in good faith but the mediation fails to resolve the claims, the person or persons, in cooperation with other persons against whom third-party claims have been made that arise from the same facility, may retain legal counsel to defend them against the claims and may seek partial reimbursement from the commissioner for reasonable attorney fees. The commissioner shall provide partial reimbursement for reasonable attorney fees under this subdivision of \$75 per hour for a

maximum number of hours to be established by the commissioner by rule. The maximum number of hours for reimbursement must increase as the number of persons who collectively retain legal counsel to defend against related claims increases but need not increase proportionately to the increase in the number of persons seeking collective defense. Under no circumstances may a person or group of persons receive reimbursement of more than 75 percent of their reasonable attorney fees under this subdivision.

Sec. 9. [115B.43] [REIMBURSABLE PARTIES AND EXPENSES.]

Subdivision 1. [GENERALLY.] Environmental response costs at qualified facilities for which a notice of compliance has been issued under section 115B.40, subdivision 7, are reimbursable as provided in this section.

Subd. 2. [REIMBURSABLE PERSONS.] (a) Except as provided in paragraphs (b) to (d), the following persons are eligible for reimbursement under this section:

(1) owners or operators, after the owners or operators have agreed to waive all claims for recovery of environmental response costs against any other persons and have agreed to reimburse, on a proportionate basis from each reimbursement received, each person from whom the applicant has collected funds towards reimbursable costs; and

(2) persons, other than owners and operators after the persons have agreed to:

(i) reimburse, on a proportionate basis from each reimbursement payment received, each person from whom the applicant has collected funds towards reimbursable costs; and

(ii) waive all claims for environmental response costs related to the facility and all other qualified facilities, against all other persons.

(b) A person is not eligible for reimbursement under this section if the person is an owner or operator who failed to properly close the qualified facility within the time specified in the facility's permit or the solid waste rules in effect at the time the facility stopped accepting waste.

(c) A person is not eligible for reimbursement under this section for environmental response costs at a facility if the person's actions relating to a release or threatened release at the facility were in violation of federal or state hazardous waste management laws in effect at the time of those actions.

(d) A person is not eligible for reimbursement under this section if, after June 15, 1994, the person files or continues to pursue an action asserting a claim for recovery of environmental response costs relating to a qualified facility, or otherwise seeks contributions for these costs, from another person.

Subd. 3. [REIMBURSABLE EXPENSES.] (a) Environmental response costs are eligible for reimbursement under this section to the extent that they:

(1) exceed:

(i) for each political subdivision that is an owner or operator of the facility, \$250,000; and

(ii) for a private owner or operator, or a political subdivision that jointly owned or operated the facility with two or more other political subdivisions under a valid joint powers agreement, \$750,000;

(2) are documented with billings or other proof of project cost; and

(3) if the commissioner finds that they were reasonable and necessary under the circumstances. The commissioner may request further documentation from those requesting reimbursement if it is necessary in the commissioner's judgment.

(b) For owners or operators, the following costs are not reimbursable:

(1) costs attributable to normal operations of the facility or to activities required under the facility permit and applicable solid waste rules, including corrective action, closure, postclosure, and contingency action; and

(2) the acquisition of real property if required of the owner or operator in order to carry out requirements of the facility permit or applicable solid waste rules.

Subd. 4. [REIMBURSEMENT PLAN.] The commissioner shall prepare a reimbursement plan and present it by October 1, 1995, to the legislative commission on waste management, the chairs of the senate finance committee and environment and natural resources finance division and the committees on ways and means and environment and natural resources finance of the house of representatives, and owners and operators of, and persons subject to a cleanup order at, qualified facilities. The plan shall identify sites where reimbursement will occur and the estimated dollar amount for each site, and shall set out priorities and payment schedules. The plan must give first priority for reimbursement to persons who are not owners or operators of qualified facilities.

Subd. 5. [REIMBURSEMENT TIMING.] The commissioner shall not issue reimbursement payments before October 15, 1995. The commissioner shall not issue reimbursements for expense statements filed after October 15, 1996, and shall approve or deny all reimbursement requests by October 15, 1997. The commissioner shall fully reimburse all persons eligible for reimbursement no later than six years after the date of notice of compliance for the facility under section 115B.40, subdivision 7.

Subd. 6. [REIMBURSEMENT CEILING.] The commissioner shall not issue reimbursements in an amount exceeding \$7,000,000 per fiscal year.

Sec. 10. Minnesota Statutes 1993 Supplement, section 281.13, is amended to read:

281.13 [NOTICE OF EXPIRATION OF REDEMPTION.]

Every person holding a tax certificate after expiration of three years, or the redemption period specified in section 281.17 if shorter, after the date of the tax sale under which the same was issued, may present such certificate to the county auditor; and thereupon the auditor shall prepare, under the auditor's hand and official seal, a notice, directed to the person or persons in whose name such lands are assessed, specifying the description thereof, the amount for which the same was sold, the amount required to redeem the same, exclusive of the costs to accrue upon such notice, and the time when the redemption period will expire. If, at the time when any tax certificate is so presented, such lands are assessed in the name of the holder of the certificate, such notice shall be directed also to the person or persons in whose name title in fee of such land appears of record in the office of the county recorder. The auditor shall deliver such notice to the party applying therefor, who shall

deliver it to the sheriff of the proper county for service. Within 20 days after receiving it, the sheriff shall serve such notice upon the persons to whom it is directed, if to be found in the sheriff's county, in the manner prescribed for serving a summons in a civil action; if not so found, then upon the person in possession of the land, and make return thereof to the auditor. In the case of land held in joint tenancy the notice shall be served upon each joint tenant. If one or more of the persons to whom the notice is directed cannot be found in the county, and there is no one in possession of the land, of each of which facts the return of the sheriff so specifying shall be prima facie evidence, service shall be made upon those persons that can be found and service shall also be made by two weeks' published notice, proof of which publication shall be filed with the auditor.

When the records in the office of the county recorder show that any lot or tract of land is encumbered by an unsatisfied mortgage or other lien, and show the post office address of the mortgagee or lienor, or if the same has been assigned, the post office address of the assignee, the person holding such tax certificate shall serve a copy of such notice upon such mortgagee, lienor, or assignee by certified mail addressed to such mortgagee, lienor, or assignee at the post office address of the mortgagee, lienor, or assignee as disclosed by the records in the office of the county recorder, at least 60 days prior to the time when the redemption period will expire.

The notice herein provided for shall be sufficient if substantially in the following form:

"NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of, State of Minnesota.

To

You are hereby notified that the following described piece or parcel of land, situated in the county of, and State of Minnesota, and known and described as follows:, is now assessed in your name; that on the day of May,, at the sale of land pursuant to the real estate tax judgment, duly given and made in and by the district court in and for said county of, on the day of March,, in proceedings to enforce the payment of taxes delinquent upon real estate for the year for said county of, the above described piece or parcel of land was sold for the sum of \$....., and the amount required to redeem such piece or parcel of land from such sale, exclusive of the cost to accrue upon this notice, is the sum of \$....., and interest at the rate of percent per annum from said day of, to the day such redemption is made, and that the tax certificate has been presented to me by the holder thereof, and the time for redemption of such piece or parcel of land from such sale will expire 60 days after the service of this notice and proof thereof has been filed in my office.

Witness my hand and official seal this day of,
.....

(OFFICIAL SEAL)

County Auditor of

..... County, Minnesota.”

Sec. 11. Minnesota Statutes 1992, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 22, paragraph (c), or 25, paragraph (c), clause (5), for which the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except (1) homesteaded lands as defined in section 273.13, subdivision 22, and (2) for periods of redemption beginning after June 30, 1991, but before July 1, 1996, lands located in the Loring Park targeted neighborhood on which a notice of lis pendens has been served, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all real property constituting a mixed municipal solid waste disposal facility that is a qualified facility under section 115B.39, subdivision 1, is one year from the date of the sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy.

Sec. 12. [EFFECTIVE DATES.]

Sections 1 to 7 and 9 are effective June 1, 1994. Sections 10 and 11 are effective for taxes deemed delinquent after December 31, 1994.

ARTICLE 2

Section 1. [115B.44] [INVESTIGATION AND PURSUIT OF INSURANCE CLAIMS.]

Subdivision 1. [COMMISSIONER TO INVESTIGATE.] The commissioner may conduct investigations to identify responsible persons at qualified facilities. At the commissioner's request, a responsible person identified under this subdivision shall provide the commissioner with a copy of all applicable comprehensive general liability insurance policies, certificates, or other evidence of insurance coverage held while the person engaged in actions making the person a potential responsible person; take any actions necessary

to preserve the person's rights to payment or defense under the policies; cooperate with the commissioner in asserting claims; and, within 60 days of the commissioner's request, assign only those rights under the policies related to environmental response costs at or related to qualified facilities. The commissioner may not request assignment of rights under this subdivision before May 1, 1996.

Subd. 2. [ATTORNEY GENERAL TO PURSUE ASSIGNED CLAIMS.]

The attorney general shall pursue available insurance claims under rights assigned under subdivision 1 or section 115B.40 and may contract for legal services for this purpose. All money recovered under this subdivision must be credited to the landfill cleanup account.

Sec. 2. [115B.45] [VOLUNTARY BUY-OUT FOR INSURERS.]

In full satisfaction of any rights assigned to the state under sections 115B.40 and 115B.44, an insurer may tender to the commissioner before January 1, 1998, the voluntary buy-out amount calculated under section 115B.46. In consideration of the amount tendered to the commissioner, an insurer shall be released by the state from liability for defense or indemnification relating to environmental response costs incurred by the commissioner at qualified facilities, except that no liability protection exists under this section until the commissioner has received buy-out commitments totaling \$30,000,000. Any amounts received by the commissioner must be credited to the landfill cleanup account.

Sec. 3. [115B.46] [VOLUNTARY BUY-OUT AMOUNT.]

Subdivision 1. [CALCULATION.] The voluntary buy-out amount for an insurer must be calculated in accordance with this section.

Subd. 2. [VOLUNTARY BUY-OUT SHARE.] An insurer's unadjusted voluntary buy-out share is equal to that insurer's combined Minnesota written premium for the commercial multiperil line of insurance for calendar years 1970 through 1973, the liability other than auto line for calendar years 1970 and 1971, and the miscellaneous liability line for calendar years 1972 and 1973, as defined by the National Association of Insurance Commissioners' annual statement instructions during the applicable periods, divided by the aggregate written premium for all insurers for these lines during these same time periods. The commissioner of commerce shall calculate the unadjusted shares for individual insurers from data published by A.M. Best for the applicable periods. The commissioner shall advise each insurer with an unadjusted share calculated pursuant to this subdivision of the amount of their unadjusted share. The commissioner shall also request from the insurers data to support an adjustment under subdivision 3. The commissioner shall so advise insurers by May 1, 1996.

Subd. 3. [ADJUSTMENTS.] An insurer may adjust its share by providing the commissioner of commerce with evidence that the insurer's Minnesota written premium liability other than auto written premium for calendar years 1970 and 1971 and miscellaneous liability for calendar years 1972 and 1973 included professional or medical malpractice insurance written premiums. The evidence may be provided by written documents or electronically imaged and reproduced documents, contemporaneous with the period of the adjustment, reflecting the insurer's professional or medical malpractice insurance written premium for these periods. The evidence may include an affidavit from an officer of the insurer testifying to the veracity of the data. An insurer's

share must be adjusted by the amount of the insurer's professional or medical malpractice insurance Minnesota written premium for calendar years 1970 through 1973 subtracted from the insurer's aggregate liability other than auto and miscellaneous liability written premium for calendar years 1970 through 1973. The commissioner of commerce shall reduce the aggregate liability other than auto and miscellaneous liability written premium for all insurers by the amount of total adjustments for all insurers under this subdivision prior to the final calculation of each insurer's share. The commissioner shall recalculate each insurer's share using the method provided in subdivision 1 subject to the adjustment provided by this subdivision.

Subd. 4. [CREDITS.] An insurer may receive a credit of 25 percent for each of the calendar years 1970, 1971, 1972, and 1973 that the insurer can demonstrate that sudden and accidental qualified pollution exclusions were endorsed to or included in all its comprehensive general liability insurance policies issued during these years. To support a claim for credits under this subdivision, an insurer may provide the commissioner of commerce with an affidavit from an officer or former officer testifying as to the business practice of the insurer during the year or years in question. An insurer may obtain a 25 percent credit for each of the years 1970, 1971, 1972, and 1973 that the exclusions were endorsed to or included in these policies.

Subd. 5. [FINAL CALCULATION.] An insurer's voluntary buy-out amount is equal to the multiplication of the insurer's adjusted share by \$90,000,000 minus the amount of the insurer's credits under subdivision 4. The commissioner of commerce shall notify each insurer of its buy-out amount calculated under this section by September 30, 1996. An insurer that elects to buy out under this section may pay the amount calculated under this subdivision in ten equal annual installments.

Subd. 6. [NONPUBLIC DATA.] All information obtained by the commissioner of commerce from insurers under this section is nonpublic data under section 13.02, subdivision 9.

Subd. 7. [HEARING.] An insurer who disagrees with the calculation of its voluntary buy-out amount may request that the commissioner of commerce reconsider. An insurer requesting reconsideration shall supply the commissioner with information that supports the insurer's position within 30 days of receipt of the notification under subdivision 4. The commissioner shall reconsider the insurer's calculation based upon the information supplied within 30 days of receipt of the information. An insurer may appeal the decision of the commissioner as a contested case under chapter 14.

Subd. 8. [MINIMUM AMOUNT.] An insurer's voluntary buy-out amount may not be less than \$200,000.

Subd. 9. [RULES.] The commissioner of commerce may adopt rules to implement this section.

Sec. 4. [FEDERAL INSURANCE TRUST FUND.]

The commissioner of the pollution control agency shall monitor developments relating to the establishment of a federal insurance trust fund, or a similar fund, as part of the reauthorization of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, United States Code, title 42, section 9601 et seq., and shall take actions, including communicating with Congress and the United States Environmental

Protection Agency, to maximize the amount of money available from the federal fund for payments relating to mixed municipal solid waste disposal facilities in this state. By January 15, 1995, the commissioner shall submit to the legislative commission on waste management, the senate environment and natural resources finance division, and the house committee on environment and natural resources finance a report containing:

(1) a summary of federal developments and the commissioner's actions under this section; and

(2) any recommendations for legislation.

Sec. 5. [VOLUNTARY INSURANCE BUY-OUT PROGRAM; EVALUATION AND RECOMMENDATIONS BY ATTORNEY GENERAL.]

(a) The attorney general shall evaluate the voluntary insurance buy-out program established in sections 115B.45 and 115B.46 in light of the legislature's intent to maximize the net revenue to the state under the program. By January 15, 1996, the attorney general shall report on the evaluation to the legislative commission on waste management and the appropriate committees of the legislature. The report must include:

(1) recommendations on changes to the program, including any recommendations for changes to the years to be considered in calculating the voluntary buy-out amount under section 115B.46, subdivision 2; the adjustments and credits allowed under section 115B.46, subdivisions 3 and 4; the \$90,000,000 amount in section 115B.46, subdivision 5; and any other element of the program; and

(2) a detailed explanation of the process by which the attorney general's recommendations, if any, were formulated, including a summary of the comments of each of the entities listed in paragraph (b).

(b) In preparing the report, the attorney general shall consult with:

(1) representatives of the department of commerce and the pollution control agency;

(2) representatives of insurers at the state and national levels; and

(3) representatives of insureds.

(c) The attorney general may request of any person, including an insurer, any documents, records, or other information that the attorney general deems necessary to perform its responsibilities under this section. A person, including an insurer, shall comply with such requests of the attorney general within the time specified in the request, or, if no time is specified, within 30 days of the mailing of the request by the attorney general. In the case of a refusal to comply with a request for information under this section, the attorney general may apply to the district court for an order directing the person to comply with the request. A person shall not be required to provide any information that is subject to the attorney-client privilege or work product privilege. An insurer shall not be required to provide information specific to a particular insured unless the attorney general deems such information necessary to confirm summary information provided by an insurer. With respect to information obtained under this paragraph that is specific to a particular insured, the attorney general shall, pursuant to standard legal practice, take steps necessary to assure that such information is not discussed with, or available to, any attorney general staff involved in evaluating or

pursuing assigned claims under section 115B.44, subdivision 2. Nothing in this paragraph prevents the attorney general from independently obtaining the information as otherwise allowed by law to evaluate or pursue assigned claims under section 115B.44, subdivision 2.

(d) Upon request of the attorney general, the commissioners of the pollution control agency and commerce shall cooperate with the attorney general in carrying out the authority under this section.

Sec. 6. [APPROPRIATION.]

\$150,000 is appropriated from the landfill cleanup account to the attorney general for the purposes of sections 1 and 5.

Sec. 7. [EFFECTIVE DATE.]

Section 1, subdivision 2, is effective January 1, 1997.

ARTICLE 3

Section 1. Minnesota Statutes 1992, section 115B.42, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; APPROPRIATION; SEPARATE ACCOUNTING.] (a) The landfill cleanup account is established in the environmental fund in the state treasury. The account consists of money credited to the account and interest earned on the money in the account. *Except as provided in section 115B.42, subdivision 2, clause (9), money in the account is annually appropriated to the commissioner for the purposes listed in subdivision 2.*

(b) The commissioner of finance shall separately account for revenue deposited in the account from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, and all other sources of revenue.

Sec. 2. Minnesota Statutes 1993 Supplement, section 115B.42, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] ~~Subject to appropriation,~~ (a) Money in the account may be spent ~~for~~ by the commissioner to:

(1) ~~inspection of~~ inspect permitted mixed municipal solid waste disposal facilities to:

(i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(iii) determine the boundaries of fill areas; and

(2) ~~response actions at mixed municipal solid waste disposal facilities under this chapter.~~

(2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;

(3) acquire and dispose of property under section 115B.412, subdivision 3;

(4) recover costs under sections 115B.39 and 115B.46;

(5) administer, including providing staff and administrative support for, sections 115B.39 to 115B.46;

(6) enforce sections 115B.39 to 115B.46;

(7) subject to appropriation, administer the agency's groundwater and solid waste management programs;

(8) reimburse persons under section 115B.43; and

(9) reimburse mediation expenses up to a total of \$250,000 annually or defense costs up to a total of \$250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B.414.

Sec. 3. Minnesota Statutes 1993 Supplement, section 116.07, subdivision 10, is amended to read:

Subd. 10. [SOLID WASTE ASSESSMENTS.] (a) For the purposes of this subdivision, "assessed waste" means mixed municipal solid waste as defined in section 115A.03, subdivision 21, infectious waste as defined in section 116.76, subdivision 12, pathological waste as defined in section 116.76, subdivision 14, industrial waste as defined in section 115A.03, subdivision 13a, and construction debris as defined in section 115A.03, subdivision 7.

(b) A person that collects ~~mixed municipal solid~~ assessed waste shall collect and remit to the commissioner of revenue a solid waste assessment from each of the person's customers as provided in paragraphs ~~(b)~~ (c) and ~~(e)~~ (d).

~~(b)~~ (c) The amount of the assessment for each residential customer is \$2 per year. Each waste collector shall collect the assessment annually from each residential customer that is receiving waste collection service on July 1 of each year and shall remit the amount collected along with the collector's first remittance of the sales tax on solid waste collection services, described in section 297A.45, made after October 1 of each year. Any amount of the assessment that is received by the waste collector after October 1 of each year must be remitted along with the collector's next remittance of sales tax after receipt of the assessment.

~~(e)~~ (d) The amount of the assessment for each nonresidential customer is ~~12~~ 60 cents per noncompacted cubic yard of periodic waste collection capacity purchased by the customer. Each waste collector shall collect the assessment from each nonresidential customer as part of each statement for payment of waste collection charges and shall remit the amount collected along with the next remittance of sales tax after receipt of the assessment.

~~(d)~~ (e) A person who transports assessed waste generated by that person or by another person without compensation shall pay an assessment of 60 cents per noncompacted cubic yard or the equivalent to the operator of the facility to which the waste is delivered. The operator shall remit the assessments collected under this paragraph to the commissioner of revenue as though they were sales taxes under chapter 297A. This paragraph does not apply to a person who transports industrial waste generated by that person to a facility owned and operated by that person.

(f) The commissioner of revenue shall redesign sales tax forms for solid waste collectors to accommodate payment of the assessment. ~~The commissioner of revenue shall deposit~~ The amounts remitted under this subdivision in

the environmental fund and shall credit four-sevenths of the receipts must be deposited in the state treasury and credited to the landfill cleanup account established in section 115B.42.

(e) (g) For the purposes of this subdivision, a "person that collects mixed municipal solid waste" means each person that pays is required to pay sales tax on solid waste collection services under section 297A.45, or would pay sales tax under that section if the assessed waste was mixed municipal solid waste.

(f) (h) The audit, penalty, enforcement, and administrative provisions applicable to taxes imposed under chapter 297A apply to the assessments imposed under this subdivision.

(i) If less than \$25,000,000 is projected to be available in any fiscal year after fiscal year 1996 for expenditure from all sources for landfill cleanup and reimbursement costs under sections 115B.39 to 115B.46, by April 1 before the next fiscal year in which the shortfall is projected the agency shall certify to the commissioner of revenue the amount of the shortfall. To provide for the shortfall, the commissioner of revenue shall increase the assessment under paragraphs (d) and (e) effective the following July 1 and provide notice of the increased assessment to affected waste generators by May 1 following certification.

Sec. 4. [APPROPRIATION; TRANSFER.]

Subdivision 1. [APPROPRIATION.] \$90,000,000 is appropriated from the bond proceeds fund to the commissioner of the pollution control agency for capital costs of environmental response actions at eligible facilities.

Subd. 2. [TRANSFER.] The balance in the metropolitan landfill contingency action trust fund established under Minnesota Statutes, section 473.845, on the effective date of this section is transferred to the landfill cleanup account established under Minnesota Statutes, section 115B.42.

Sec. 5. [BOND SALE.]

(a) To provide the money appropriated in this act from the state bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$90,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, the Minnesota Constitution, article XI, sections 4 to 7, and paragraph (b).

(b) Bonds may not be issued under this section in total amounts exceeding the following:

(1) by June 30, 1996, \$10,000,000;

(2) by June 30, 1998, \$35,000,000;

(3) by June 30, 2000, \$55,000,000; and

(4) by June 30, 2002, \$75,000,000.

Sec. 6. [EFFECTIVE DATE]

Section 3 is effective January 1, 1995.

ARTICLE 4

Section 1. Minnesota Statutes 1993 Supplement, section 115B.178, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION.] (a) The commissioner may issue determinations that certain actions proposed to be taken at real property subject to a release or threatened release of a hazardous substance or pollutant or contaminant will not constitute conduct associating the person with the release or threatened release for the purpose of section 115B.03, subdivision 3, clause (d). Proposed actions that may be covered by a determination under this section include response actions approved by the commissioner to address the release or threatened release, actions to improve or develop the real property, loans secured by the real property, or other similar actions. A determination may be subject to terms and conditions deemed reasonable by the commissioner. When a person takes actions in accordance with a determination issued under this subdivision, the actions do not associate the person with the release for the purpose of section 115B.03, subdivision 3, clause (d).

(b) If a person requesting a determination proposes to take response actions at real property, the commissioner may also issue a determination under paragraph (a) that certain actions taken in the past at the real property did not constitute conduct associating the person with the release or threatened release for purposes of section 115B.03, subdivision 3, clause (d). Any such determination shall be limited to the represented facts of the past actions and shall not apply to actions that are not represented or disclosed. The determination may be subject to such other terms and conditions as the commissioner deems reasonable.

Sec. 2. Minnesota Statutes 1992, section 115C.03, subdivision 9, is amended to read:

Subd. 9. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request:

(1) assist in determining whether a release has occurred; and

(2) assist in or supervise the development and implementation of reasonable and necessary response corrective actions.

(b) Assistance may include review of agency records and files and review and approval of a requester's investigation plans and reports and corrective action plans and implementation.

(c) Assistance may include the issuance of a written determination that an owner or prospective buyer of real property will not be a responsible person under section 115C.021, if the commissioner finds the release came from a tank not located on the property. The commissioner may also issue a written confirmation that the real property was the site of a release and that the tank from which the release occurred has been removed or that the agency has issued a site closure letter and has not revoked that status. The issuance of the written determination or confirmation applies to tanks not on the property or removed only, and does not affect liability for releases from tanks that are on the property at the time of purchase. The written determination or confirmation extends to the successors and assigns of the person to whom it originally applied, if the successors and assigns are not otherwise responsible for the release.

(d) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing

assistance. Money received by the agency for assistance under this subdivision must be deposited in the state treasury and credited to the account.

ARTICLE 5

Section 1. Minnesota Statutes 1992, section 115A.055, is amended to read:

115A.055 [OFFICE OF WASTE MANAGEMENT ENVIRONMENTAL ASSISTANCE.]

The office of ~~waste management~~ *environmental assistance* is an agency in the executive branch headed by a director appointed by the ~~governor~~ *commissioner of the pollution control agency*, with the advice and consent of the senate, to serve in the unclassified service. The director may appoint two assistant directors in the unclassified service and may appoint other employees, as needed, in the classified service. *The office is a department of the state only for purposes of section 16B.37, subdivision 2.*

Sec. 2. [OFFICE OF ENVIRONMENTAL ASSISTANCE; RETURN AND TRANSFER OF RESPONSIBILITIES.]

(a) *The personnel, powers, duties, and furniture and equipment of the office of waste management transferred from it by reorganization order number 169 under Minnesota Statutes, section 16B.37, are hereby transferred to the office of environmental assistance subject to Minnesota Statutes, section 16B.37, subdivision 3.*

(b) *The solid and hazardous waste management personnel, powers, and duties of the metropolitan council under Minnesota Statutes, chapters 115A and 473, are transferred from the council to the office of environmental assistance subject to Minnesota Statutes, section 16B.37, subdivision 3.*

(c) *By February 15, 1995, the legislative commission on waste management shall propose legislation to conform existing statutes to the transfer in paragraph (b).*

(d) *Employees of the metropolitan council currently performing the duties under Minnesota Statutes, sections 473.149, 473.151, and 473.801 to 473.849 shall be given the option of filling positions to perform these duties at the office of environmental assistance. Employees so transferred shall not suffer a reduction in salary as a result of the transfer to state employment. For job seniority and benefit calculation purposes, the date of first employment with the state is the date on which services were first performed by the employee for the metropolitan council. Any sick leave, vacation time, or severance pay benefits accumulated by the affected employees under the policies of the metropolitan council shall carry over to state service. For positions transferred from the metropolitan council to the office of waste management, the commissioner of employee relations shall determine which positions are to be placed in the classified service and which are to be placed in the unclassified service, in accordance with Minnesota Statutes, chapter 43A. The commissioner shall allocate positions to appropriate classes in the state classification plan. Positions transferred with their incumbents do not create vacancies in state service. Employees transferred to unlimited classified positions are transferred to state service without examination. Employees transferred to unclassified positions must receive unclassified appointments under the provisions of Minnesota Statutes, chapter 43A. The commissioner of employee relations shall provide employees of the metropolitan council who are*

transferred to the office of waste management open enrollment in all state employee health and dental insurance plans with no limitation on preexisting conditions except as specified in existing state employee certificates of coverage. The commissioner of employee relations shall provide employees of the metropolitan council who are transferred to the office of waste management the opportunity to purchase optional life and disability insurance in amounts equivalent to amounts previously purchased by a transferred employee or provided by the employer.

Sec. 3. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall make the following changes, with appropriate stylistic corrections, in Minnesota Statutes 1994 and subsequent editions of the statutes:

(1) change the words "office of waste management" and "office" to "director" and change "its," when it refers to the office of waste management, to "the director's" in Minnesota Statutes, sections 115A.06, subdivisions 13 and 14; 115A.072; 115A.152; 115A.154; 115A.156; 115A.165; 115A.45; 115A.48; 115A.51; 115A.52; 115A.54, subdivision 3; 115A.541; 115A.55; 115A.551; 115A.552; 115A.553; 115A.557; 115A.58; 115A.59; 115A.63; 115A.64; 115A.66; 115A.71; 115A.72; 115A.84; 115A.86; 115A.9162; 115A.917; 115A.961; 115A.97; and 115A.991;

(2) change the word "reviewing authority" to "director" in Minnesota Statutes, sections 115A.83, subdivision 2; 115A.84, subdivisions 4 and 5; 115A.86, subdivisions 2, 3, and 5; 115A.87; 115A.89; 115A.893, subdivisions 3 and 4;

(3) change the word "its," when it refers to the reviewing authority, to "the director's" in Minnesota Statutes, sections 115A.84, subdivision 4, paragraph (c); and 115A.89, clause (3);

(4) change the word "it" to "the director" in Minnesota Statutes, section 115A.84, subdivision 4, paragraphs (a) and (c);

(5) delete the words "the office or" and delete "acting on behalf of the office" in Minnesota Statutes, section 115A.06, subdivisions 8 to 10;

(6) change the word "board" to "director" in Minnesota Statutes, section 115A.97, subdivision 5;

(7) delete the word "office" in Minnesota Statutes, section 115A.551, subdivision 7; and

(8) change the words "waste management" to "environmental assistance" in Minnesota Statutes, sections 115A.03, subdivisions 8a and 22a; 115D.03, subdivision 4; and 116C.03, subdivision 2.

ARTICLE 6

Section 1. Minnesota Statutes 1992, section 116G.15, is amended to read:

116G.15 [MISSISSIPPI RIVER CRITICAL AREA.]

The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi river critical area plan and specify any

additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

The results of an environmental impact statement prepared under chapter 116D and completed after the effective date of this section for a proposed project that is located in the Mississippi river critical area north of the United States Army Corps of Engineers lock and dam number one must be submitted in a report to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph must list alternatives to the project that are environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives. This paragraph does not apply to a proposed project to be carried out by the metropolitan council or a metropolitan agency as defined in section 473.121.

Sec. 2. [116G.151] [REQUIRED ENVIRONMENTAL ASSESSMENT WORKSHEET; FACILITIES IN MISSISSIPPI RIVER AREA.]

(a) Until completion of an environmental assessment worksheet that complies with the rules of the environmental quality board and this section, a state or local agency may not issue a permit for construction or operation of a metal materials shredding project with a processing capacity in excess of 20,000 tons per month that would be located in the Mississippi river critical area, as described in section 116G.15, upstream from United States Corps of Engineers Lock and Dam Number One.

(b) The pollution control agency is the responsible governmental unit for the preparation of an environmental assessment worksheet required under this section.

(c) In addition to the contents required under law and rule, an environmental assessment worksheet completed under this section must also include the following major categories:

(1) effects of operation of the project, including vibrations and airborne particulates and dust, on the Mississippi river;

(2) effects of operation of the project, including vibrations and airborne particulates and dust, on adjacent businesses and on residents and neighborhoods;

(3) effects of operation of the project on barge and street traffic;

(4) discussion of alternative sites considered by the project proposer for the proposed project, possible design modifications including site layout, and the magnitude of the project;

(5) mitigation measures that could eliminate or minimize any adverse environmental effects of the proposed project;

(6) impact of the proposed project on the housing, park, and recreational use of the river;

(7) effects of waste and implication of the disposal of waste generated from the proposed project;

(8) effects on water quality from the project operations, including waste-water generated from operations of the proposed project;

(9) potential effects from fugitive emissions, fumes, dust, noise, and vibrations from project operations;

(10) compatibility of the existing operation and proposed operation with other existing uses;

(11) the report of the expert required by paragraph (g).

(d) In addition to the publication and distribution provisions relating to environmental assessment worksheets under law and rule, notice of environmental assessment worksheets performed by this section shall also be published in a newspaper of general circulation as well as community newspapers in the affected neighborhoods.

(e) A public meeting in the affected communities must be held on the environmental assessment worksheet prepared under this section. After the public meeting on the environmental assessment worksheet, there must be an additional 30-day period for review and comment on the environmental assessment worksheet.

(f) If the pollution control agency determines that information necessary to make a reasonable decision about potential of significant environmental impacts is insufficient, the agency shall make a positive declaration and proceed with an environmental impact statement.

(g) The pollution control agency shall retain an expert in the field of toxicology who is capable of properly analyzing the potential effects and content of any airborne particulates, fugitive emissions, and dust that could be produced by a metal materials shredding project. The pollution control agency shall obtain any existing reports or documents from a governmental entity or project proposer that analyzes or evaluates the potential hazards of airborne particulates, fugitive emissions, or dust from the construction or operation of a metal materials shredding project in preparing the environmental assessment worksheet. The agency and the expert shall prepare, as part of the report, a risk assessment of the types of metals permitted to be shredded as compared to the types of materials that are likely to be processed at the facility. In performing the risk assessment, the agency and the expert must consider any actual experience at similar facilities. The report must be included as part of the environmental assessment worksheet.

(h) If the pollution control agency determines that under the rules of the environmental quality board an environmental impact statement should be prepared, the pollution control agency shall be the responsible governmental unit for preparation of the environmental impact statement.

Sec. 3. [APPROPRIATION.]

\$75,000 is appropriated in fiscal year 1995 from the general fund to the commissioner of the pollution control agency to hire the consultant required under section 2, and to prepare the environmental assessment worksheet required by section 2. The proposer will bear all other costs associated with the preparation of the environmental assessment worksheet."

Delete the title and insert:

"A bill for an act relating to the environment; establishing an environmental cleanup program for landfills; providing for buy-outs for insurers; increasing the solid waste generator fee; transferring the balance in the metropolitan landfill contingency action trust fund; authorizing the sale of bonds; renaming the office of waste management as the office of environmental assistance and providing for appointment of the director; transferring certain personnel, powers, and duties to the office of environmental assistance; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of environmental assistance; expanding the authority of the commissioner of the pollution control agency to issue determinations regarding liability for releases of hazardous substances and petroleum; requiring environmental review of certain projects; authorizing rules; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 115A.055; 115B.04, by adding a subdivision; 115B.42, subdivision 1; 115C.03, subdivision 9; 116G.15; and 281.17; Minnesota Statutes 1993 Supplement, sections 115B.178, subdivision 1; 115B.42, subdivision 2; 116.07, subdivision 10; and 281.13; proposing coding for new law in Minnesota Statutes, chapters 115B; and 116G."

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

House Conferees: (Signed) Jean Wagenius, Phyllis Kahn, Howard Orenstein, Chuck Brown, Teresa Lynch

Senate Conferees: (Signed) Steven Morse, Ted A. Mondale, Gene Merriam, Janet B. Johnson, Dennis R. Frederickson

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3086 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. 3086 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Laidig	Morse	Riveness
Anderson	Frederickson	Langseth	Murphy	Robertson
Benson, D.D.	Hanson	Larson	Neuville	Runbeck
Benson, J.E.	Hottinger	Lesewski	Novak	Sams
Berglin	Johnson, D.E.	Lessard	Oliver	Samuelson
Bertram	Johnson, D.J.	Luther	Olson	Solon
Betzold	Johnson, J.B.	Marty	Pappas	Spear
Chandler	Johnston	McGowan	Pariseau	Stevens
Chmielewski	Kelly	Merriam	Piper	Vickerman
Cohen	Kiscaden	Metzen	Price	Wiener
Day	Knutson	Moe, R.D.	Ranum	
Dille	Kroening	Mondale	Reichgott Junge	

Messrs. Belanger and Terwilliger voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2289, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2289: A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; appropriating money; amending Minnesota Statutes 1992, section 116.07, subdivision 4d.

Senate File No. 2289 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1994

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. 2016, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2016 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2016

A bill for an act relating to commerce; regulating mortgage payment services; requiring a bond or other security; amending Minnesota Statutes 1992, section 332.13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 332.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2016, 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. 2016 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 332.13, subdivision 2, is amended to read:

Subd. 2. "Debt prorating" means the performance of any one or more of the following:

(a) managing the financial affairs of an individual by distributing income or money to the creditors thereof;

(b) receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor; or

(c) settling, adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged shall be deemed to be engaged in debt prorating regardless of whether or not a fee is charged for such services. This term shall not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) Attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) Banks, state or national, trust companies, savings and loan associations, building and loan associations, title insurance companies, insurance companies and all other lending institutions duly authorized to transact business in the state of Minnesota, provided no fee is charged for such service;

(3) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt prorating, perform credit services for their employer;

(4) Public officers acting in their official capacities and persons acting pursuant to court order;

(5) Nonprofit corporations, organized under Minnesota Statutes 1967, Chapter 317, giving debt prorating service, provided no fee is charged for such service;

(6) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation or other business enterprise;

(7) The state of Minnesota, its political subdivisions, public agencies and their employees;

(8) Credit unions, provided no fee is charged for such service;

(9) "Qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income representative payee system and the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508; and

(10) Accelerated mortgage payment providers. "Accelerated mortgage payment providers" are persons who, after satisfying the requirements of sections 332.30 to 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf of mortgagors, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness. The term does not include: (i) persons or entities described in clauses (1) to (9); (ii) mortgage lenders or servicers, industrial loan and thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to make loans under section 47.20, subdivision 1.

For purposes of this clause and sections 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever is the current mortgage holder.

Sec. 2. [332.30] [ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND REQUIREMENTS.]

(a) Before beginning business in this state, an accelerated mortgage payment provider, as defined in section 332.13, subdivision 2, clause (10), shall submit to the commissioner of commerce either:

(1) a surety bond in which the accelerated mortgage payment provider is the obligor, in an amount determined by the commissioner; or

(2) if the commissioner agrees to accept it, a deposit:

(i) in cash in an amount equivalent to the bond amount; or

(ii) of authorized securities, as defined in section 50.14, with an aggregate market value equal to the bond amount. The cash or securities must be deposited with the state treasurer.

(b) The amount of the bond required by the commissioner shall vary with the amount of Minnesota client funds held or to be held by the obligor. For new businesses, the bond must be no less than \$100,000, except as provided in section 332.301. The commissioner may increase the required bond amount upon 30 days notice to the accelerated mortgage payment provider.

(c) If a bond is submitted, it must name as surety an insurance company authorized to transact fidelity and surety business in this state. The bond must run to the state of Minnesota for the use of the state and of any person who may have a claim against the obligor arising out of the obligor's activities as an accelerated mortgage payment provider. The bond must be conditioned that the obligor will not commit any fraudulent act and will faithfully conform to and abide by the provisions of accelerated mortgage payment agreements with Minnesota residents.

If an accelerated mortgage payment provider has failed to account to a mortgagor or distribute funds to the mortgagee as required by an accelerated mortgage payment agreement, the mortgagor or the mortgagor's legal representative or receiver or the commissioner shall have, in addition to any other legal remedies, a right of action in the name of the debtor on the bond or the security given pursuant to this section.

Sec. 3. [332.301] [BOND; BACKGROUND CHECK.]

The commissioner may accept an initial surety bond or deposit in an amount less than \$100,000 based upon the business plan of the accelerated mortgage payment provider, provided the commissioner obtains a third-party background check at the expense of the accelerated mortgage payment provider and from a source to be determined by the commissioner. The commissioner may require a third-party background check in connection with any accelerated mortgage payment provider at the expense of the accelerated mortgage payment provider, but no more often than annually.

Sec. 4. [332.302] [CONTRACTS; NOTICE TO MORTGAGOR.]

A contract entered into between an accelerated mortgage payment provider and a mortgagor shall be in writing and include all applicable terms and conditions including, but not limited to, all fees, costs, and charges. A conforming copy must be provided to the mortgagor before any fees in connection with the accelerated mortgage payment services are received by the accelerated mortgage payment provider. A contract shall provide that the

arrangement between the accelerated mortgage payment provider and lender or lenders requires:

(1) that if the original terms of the mortgage, mortgage note, or escrow agreement are in default because of nonpayment by the accelerated mortgage payment provider, the lender or lenders mail or otherwise deliver to the mortgagor a written notice within 30 days of the default; and

(2) that a written summary of payments received by the accelerated mortgage payment provider by date and amount, payments made to the lender or lenders on behalf of the mortgagor by date and amount, and unremitted balance held by the accelerated mortgage payment provider be provided to the mortgagor at least annually or more frequently on a date or dates mutually agreed upon between the accelerated mortgage payment provider and mortgagor.

Sec. 5. [332.303] [SEGREGATED ACCOUNTS.]

A payment received by an accelerated mortgage payment provider from or on behalf of a client shall be held by the accelerated mortgage payment provider in a separate trust account clearly designated for client funds. The account shall be in a bank or other depository institution authorized or chartered under the laws of any state or of the United States. The accelerated mortgage payment provider shall not commingle funds held for payment to lenders with its own property or funds.

Sec. 6. [SERVICE PROVISION STUDY.]

The commissioner of commerce shall report by January 15, 1995, to the commerce and consumer protection committee in the senate and the financial institutions and insurance committee in the house, on the feasibility of requiring financial institutions to offer to mortgagors the option of making their payments on a semimonthly, biweekly, or other accelerated basis, at no additional charge or fee, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating accelerated mortgage payment services; requiring a bond or other security; permitting third-party background checks; regulating contracts and the handling of payments; segregating accounts; requiring a study; amending Minnesota Statutes 1992, section 332.13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 332."

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

House Conferees: (Signed) Marc Asch, Bob Johnson, Gregory M. Davids

Senate Conferees: (Signed) Sam G. Solon, Cal Larson, Deanna Wiener

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2016 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. 2016 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Laidig	Novak	Sams
Anderson	Flynn	Larson	Oliver	Samuelson
Belanger	Frederickson	Lesewski	Olson	Solon
Benson, D.D.	Hanson	Luther	Pappas	Spear
Benson, J.E.	Hottinger	Marty	Pariseau	Stevens
Berglin	Janezich	McGowan	Piper	Stumpf
Bertram	Johnson, D.E.	Merriam	Price	Terwilliger
Betzold	Johnson, D.J.	Metzen	Ranum	Vickerman
Chandler	Johnston	Moe, R.D.	Reichgott Junge	Wiener
Chmielewski	Kelly	Morse	Riveness	
Cohen	Kiscaden	Murphy	Robertson	
Day	Knutson	Neuville	Runbeck	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3230, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3230 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 3230

A bill for an act proposing an amendment to the Minnesota Constitution; dedicating part of tax on vehicles to public transit; expanding transportation purposes for which highway user tax proceeds may be used by the metropolitan area; providing for annual inflation adjustments to motor fuel tax rate contingent on approval of constitutional dedication of motor fuel excise tax revenues; amending the Minnesota Constitution, article XI, by adding a section; and article XIV, section 5; amending Minnesota Statutes 1992, section 296.02, by adding a subdivision; repealing Minnesota Statutes 1992, section 297B.09, subdivision 1.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 3230, 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. 3230 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 169.14, subdivision 5d, is amended to read:

Subd. 5d. [SPEED ZONING IN WORK ZONES; SURCHARGE.] (a) The commissioner, on trunk highways and temporary trunk highways, and local authorities, on streets and highways under their jurisdiction, may authorize the use of reduced maximum speed limits in highway work zones. The commissioner or local authority is not required to conduct an engineering and traffic investigation before authorizing a reduced speed limit in a highway work zone.

(b) The minimum highway work zone speed limit is 20 miles per hour. The work zone speed limit must not reduce the established speed limit on the affected street or highway by more than 15 miles per hour, except that the highway work zone speed limit shall not exceed 40 miles per hour. Highway work zone speed limits are effective on erection of appropriate regulatory speed limit signs designating the beginning and end of the affected work zone. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

(c) For purposes of this subdivision, “highway work zone” means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances.

(d) *Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established under paragraph (b) while on a trunk highway, or who violates any other provision of this section or section 169.141 while in a highway work zone on a trunk highway, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25. The surcharge must be deposited in the state treasury and credited to the general fund.*

Sec. 2. Minnesota Statutes 1992, section 360.305, subdivision 4, is amended to read:

Subd. 4. (1) Except as otherwise provided in this subdivision, the commissioner of transportation shall require as a condition of assistance by the state that the political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation, these costs are referred to as project costs, in connection with which the assistance of the state is sought.

(2) For any airport, whether key, intermediate or landing strip, where only state and local funds are to be used, the contribution shall be not less than one-fifth of the sum of:

(a) the project costs,

(b) acquisition costs of the land and clear zones, “acquisition costs.”

Where federal, state and local funds are to be used, the contribution shall not be less than one-tenth of the sum.

(3) The commissioner may pay the total cost of radio and navigational aids.

(4) Notwithstanding clause (2), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.

(5) Notwithstanding clause (2), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this clause exceed five percent of the amount appropriated for construction grants.

(6) To receive aid under this section for acquisition costs the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public for a period of 20 years after the date that the state funds are received by the municipality. The agreement may contain other conditions as the commissioner deems reasonable.

(7) The commissioner shall establish a hangar construction revolving account which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this clause, the "construction" of hangars shall include their design. *The commissioner shall transfer up to \$4,100,000 from the state airports fund to the hangar construction revolving account.*

(8) The commissioner may pay a portion of the purchase price of any airport maintenance and safety equipment and of the actual airport snow removal costs incurred by any municipality. The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in clause (6).

(9) This subdivision shall apply only to project costs or acquisition costs of municipally owned airports which are incurred after June 1, 1971.

Sec. 3. Minnesota Statutes 1992, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section

394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; ~~or~~ (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction; *or (3) to advance planning and environmental activities on highest priority major metropolitan river crossing projects, under the transportation development guide chapter/policy plan.* The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program, the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy for that year.

Sec. 4. [ELECTRIC VEHICLE TECHNOLOGY STUDY; APPROPRIATION.]

(a) The commissioner of transportation shall study, evaluate, and test road powered electric vehicle (RPEV) technology under the Saints Road Project in St. Cloud, Minnesota, in coordination with the St. Cloud Area Metropolitan Transit Commission. The commissioner shall make findings and recommendations to the transportation committees of the Minnesota senate and house of representatives specifically discussing: RPEV enhancement to and cost comparisons for electric trolley bus applications, particularly regarding light rail transit; RPEV application as an intermodal system at the Minneapolis-St. Paul airport to replace the diesel truck passenger carrier operating between

the terminal and car rental agencies; snow and ice removal testing and evaluation; and safety testing of the RPEV technology under consideration at the Saints Road Project.

(b) \$200,000 is appropriated from the trunk highway fund for fiscal year 1995 to the commissioner of transportation to study electric vehicle technology and to pay for the costs, not to exceed ten percent of this appropriation, of the office of transit of the department of transportation to oversee the project. The commissioner shall disburse money from this appropriation on a two-for-one matching basis, seeking federal funding as well as local matching money.

Sec. 5. [HIGH-SPEED RAIL CORRIDOR STUDY; APPROPRIATION.]

(a) The commissioner of transportation shall initiate a phase-II feasibility study of high-speed rail service in Minnesota, Wisconsin, and Illinois along the southern corridor identified in the tri-state study of high-speed rail service. The commissioner shall seek federal matching funds and contributions from nonpublic sources to finance the study. The commissioner may enter into agreements with the states of Wisconsin and Illinois to cooperate in financing and performing the study.

(b) The study outline must be agreed upon by the participating states and federal government and must include:

- (1) collection of original and comprehensive origin-destination data;
- (2) a comprehensive assessment of alternative technologies;
- (3) engineering and environmental analysis, including route evaluations within the corridor, crossings, infrastructure needs, intermodal connections, and potential station locations;
- (4) comprehensive financial and economic analysis;
- (5) analysis of potential public-private partnerships; and
- (6) an implementation plan and program for design and construction of a high-speed rail system.

(c) \$630,000 is appropriated from the general fund to the commissioner of transportation for the purposes of the phase-II high-speed rail study under this section. This appropriation is contingent upon the state of Wisconsin paying \$500,000 and receipt of federal matching money for the study.

Sec. 6. [APPROPRIATION; JOB SKILLS PARTNERSHIP.]

\$250,000 is appropriated to the Minnesota job skills partnership board for the purpose of funding the development and implementation of a program by the city of St. Paul which connects the economic development activities of the St. Paul Port Authority with the city of St. Paul's employment and job development programs. This employment connection program shall be administered by the port authority consistent with and subject to the program requirements of the Minnesota job skills partnership program. The appropriation is available until expended.

Sec. 7. [APPROPRIATION; STATE ROAD CONSTRUCTION.]

\$15,000,000 is appropriated from the trunk highway fund to the commissioner of transportation for state road construction in fiscal year 1995 and is

added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 7, clause (a).

Sec. 8. [APPROPRIATION; STATE ROAD OPERATIONS.]

\$5,500,000 is appropriated for fiscal year 1995 from the trunk highway fund to the commissioner of transportation for state road operations and is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 9.

Sec. 9. [APPROPRIATION; WORK ZONE SAFETY.]

\$25,000 is appropriated in fiscal year 1995 from the general fund to the commissioner of transportation for highway work zone safety management and public education efforts to increase public awareness of highway work zone safety.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 9 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to transportation; imposing surcharge for violation of state highway work zone speed limit; allowing commissioner of transportation to transfer money from state airports fund to hangar construction revolving account; allowing metropolitan council to make loans for major river crossing projects; requiring studies; appropriating money; amending Minnesota Statutes 1992, sections 169.14, subdivision 5d; 360.305, subdivision 4; and 473.167, subdivision 2."

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

House Conferees: (Signed) Bernard L. "Bernie" Lieder, Tom Osthoff, Betty McCollum, Alice M. Johnson, Virgil J. Johnson

Senate Conferees: (Signed) Keith Langseth, Carol Flynn, Florian Chmielewski, Terry D. Johnston, Jim Vickerman

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3230 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. 3230 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Frederickson	Johnston	Larson
Belanger	Chandler	Hanson	Kelly	Lesewski
Benson, D.D.	Chmielewski	Hottinger	Kiscaden	Luther
Benson, J.E.	Cohen	Janezich	Knutson	Marty
Berg	Day	Johnson, D.E.	Kroening	McGowan
Berglin	Finn	Johnson, D.J.	Laidig	Merriam
Bertram	Flynn	Johnson, J.B.	Langseth	Metzen

Moe, R.D.
Morse
Murphy
Neuville
Novak

Oliver
Olson
Pappas
Pariseau
Piper

Price
Ranum
Reichgott Junge
Riveness
Robertson

Runbeck
Sams
Samuelson
Solon
Spear

Stevens
Stumpf
Vickerman
Wiener

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2168 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2168

A bill for an act relating to agricultural businesses; exempting from sales tax the gross receipts of used farm machinery sales; providing matching moneys for federal emergency disaster funds to flood damaged counties; providing supplemental funding for grain inspection programs, financial assistance programs under the ethanol production fund, and small business disaster loan programs; expanding research on grain diseases; increasing funding for the farm advocates program, agricultural resource centers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; providing funding to the Agricultural Utilization Research Institute; appropriating money; amending Minnesota Statutes 1992, sections 297A.02, subdivision 2; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2; and Laws 1993, chapter 172; section 7, subdivision 3.

May 5, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2168, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2168 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 17.03, is amended by adding a subdivision to read:

Subd. 7a. [NONTRADITIONAL AGRICULTURE; PROMOTION.] (a) The commissioner shall devise means of advancing the production and marketing of nontraditional agricultural products of the state. The commissioner shall also seek the cooperation and involvement of every department or agency of the state, and such public and nonpublic organizations as the commissioner deems appropriate, for the promotion of nontraditional agricultural products.

(b) The production and marketing of nontraditional agricultural products are considered agricultural pursuits.

(c) Except as otherwise provided in law, the commissioner may adopt appropriate rules concerning health standards for nontraditional agriculture.

(d) Except as otherwise provided in law, the slaughter of all meat producing animals, fowl, or fish that are nontraditional agriculture intended for sale in commercial outlets must occur at an inspected slaughterhouse.

(e) Except as otherwise provided in law, it is the responsibility of an owner to take all reasonable actions to maintain the nontraditional agriculture on property owned or leased by the owner, including the construction of fences, enclosures, or other barriers, and housing of a suitable design.

(f) For purposes of this subdivision "nontraditional agriculture" and "nontraditional agricultural products" includes but is not limited to aquaculture as defined in section 17.47, subdivision 2, and the production of animals domesticated from wild stock, either native or nonnative, that are kept in confinement by the owner.

Sec. 2. [17.139] [MEMORANDUM OF AGREEMENT AMONG STATE AGENCIES ON INSPECTIONS OF AGRICULTURAL OPERATIONS.]

The commissioner shall develop memoranda of agreement among all state and federal agencies that have authority to inspect property in agricultural use, as defined in section 17.81, subdivision 4, to ensure that reasonable and effective protocols are followed when inspecting sites in agricultural use. The memorandum shall specify procedures that address, but are not limited to, the following:

(1) when appropriate, advance notice to the agricultural use landowner or operator;

(2) procedures for notification of the inspection results or conclusions to the owner or operator; and

(3) special procedures as might be necessary, such as to prevent the introduction of diseases.

Sec. 3. Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2, is amended to read:

Subd. 2. [ETHANOL DEVELOPMENT FUND.] There is established in the state treasury an ethanol development fund. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.

Sec. 4. [41B.045] [VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agriculture crops, including waste and residues from agricul-

ture crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(2) "Value-added agricultural product" means a product derived from agricultural crops, including waste and residues from agricultural crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility.

Subd. 3. [REVOLVING FUND.] There is established in the state treasury a value-added agricultural product revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the value-added agricultural loan program, including costs incurred by the authority to establish and administer the program.

Subd. 4. [ELIGIBILITY.] To be eligible for this program a borrower must:

(1) be a resident of Minnesota or a domestic family farm corporation as defined in section 500.24, subdivision 2;

(2) be a grower of the agricultural product which is to be processed by an agricultural product processing facility;

(3) demonstrate an ability to repay the loan; and

(4) meet any other requirements which the authority may impose by rule.

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$24,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(f) *Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.*

(g) *The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.*

Subd. 6. [RULES.] The authority may adopt rules necessary for the administration of the program including rules which establish a minimum cost of any agricultural product processing facility for which financial assistance may be given to any farmer to help finance the purchase of stock in a cooperative.

Sec. 5. Minnesota Statutes 1993 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales of securities made by the issuer within the six-month period next preceding the date of filing; and (vii) a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative ~~association~~ organized under chapter 308A or under the laws of another state, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in ~~such association~~ the cooperative, or when such securities are issued as patronage dividends. *This paragraph applies to a cooperative organized under the laws of another state only if the cooperative has filed with the commissioner a consent to service of process under section 80A.27, subdivision 7, and has, not less than ten days prior to the issuance or delivery, furnished the commissioner with a written general description of the transaction and any other information that the commissioner requires by rule or otherwise.*

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe not less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 6. Minnesota Statutes 1992, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected

parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.

Sec. 7. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 53. [FARM MACHINERY.] From July 1, 1994, until June 30, 1995, the gross receipts from the sale of used farm machinery are exempt.

Sec. 8. [346.58] [DOGS AND CATS; BEST MANAGEMENT STANDARDS FOR CARE BY DEALERS, COMMERCIAL BREEDERS, AND BROKERS.]

The commissioner of agriculture shall consult with interested persons, including but not limited to persons representing dog and cat dealers, breeders, and brokers, the Minnesota federated humane society, the Minnesota council for dog clubs, the American dog owners association, the board of animal health, the Minnesota purebred dog breeders association, the Minnesota citizens for animal care, the United States Department of Agriculture, and the Minnesota veterinary medical association. The commissioner shall issue an order containing best management standards of care for dogs and cats by dealers, commercial breeders, and brokers. These standards are not subject to chapter 14. The commissioner shall urge dealers, commercial breeders, and brokers to follow the standards issued in the order.

Sec. 9. [DOGS AND CATS; CARE RECOMMENDATIONS.]

The commissioner of agriculture shall make recommendations to the 1995 legislature on changes to statutory dog and cat care standards in relation to the commercial breeding and sale of dogs and cats. The commissioner shall recommend enacting into law standards that, if violated, are serious enough to warrant a civil or criminal penalty and shall also recommend changes in law to improve the ease of enforcement in Minnesota Statutes, sections 325F.79 to 325F.792, and other laws related to animal cruelty.

Sec. 10. Laws 1993, chapter 172, section 7, subdivision 3, is amended to read:

Subd. 3. Promotion and Marketing

2,142,000 1,142,000

Summary by Fund

General	1,959,000	959,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed

\$15,800,000 for the biennium ending June 30, 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to \$981,024 for eligible, unpaid claims accumulated through June 30, 1993.

\$1,000,000 is appropriated *to the ethanol development fund established in Minnesota Statutes, section 41B.044, subdivision 2*, in 1994 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$183,000 the first year and \$183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Sec. 11. [FARM AND SMALL BUSINESS INTEREST BUY-DOWN PROGRAMS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 11 to 18.

Subd. 2. [COMMISSIONER.] *"Commissioner" means the commissioner of agriculture.*

Subd. 3. [ELIGIBLE BORROWER.] *"Eligible borrower" means a farmer or small business operator who applies to a participating lender for a loan and meets all qualifications established in section 12 and any further qualifications that may be announced by the commissioner.*

Subd. 4. [FARMER.] *"Farmer" means a state resident, a domestic family farm corporation, or a family farm partnership as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.*

Subd. 5. [FARM LOAN.] *"Farm loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.*

Subd. 6. [INTEREST BUY-DOWN.] *"Interest buy-down" means a reduction in the effective interest rate on a farm loan or a small business loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.*

Subd. 7. [LENDER.] *"Lender" means a bank, credit union, or savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.*

Subd. 8. [PARTICIPATING LENDER.] *"Participating lender" means a lender who has been granted participating lender status by the commissioner.*

Subd. 9. [SMALL BUSINESS.] *"Small business" means a business entity as defined in Minnesota Statutes, section 645.445, with its principal place of business in Minnesota.*

Subd. 10. [SMALL BUSINESS LOAN.] *"Small business loan" means an original, extended, or renegotiated loan or line of credit obtained by a small business for purposes of financing the operations of a small business. A small business loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.*

Sec. 12. [ELIGIBILITY; FARM LOAN.]

A farmer is eligible for the farm loan interest buy-down program under this article if a participating lender determines that the farmer meets the criteria in this section.

(a) *The farmer suffered significant losses during 1993 from a natural disaster and the farm operation faces economic stress without the assistance of the farm loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.*

(b) *The farmer has a reasonable opportunity for long-term financial viability in the farmer's current farm operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.*

Sec. 13. [ELIGIBILITY; SMALL BUSINESS LOAN.]

A small business is eligible for the small business loan interest buy-down program if a participating lender determines that the small business meets the criteria in this section.

(a) The small business suffered significant losses during 1993 from a natural disaster and the small business faces economic stress without the assistance of the small business loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The small business has a reasonable opportunity for long-term financial viability in the small business's current operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 14. [LENDER ELIGIBILITY; OBLIGATIONS; TIMELY APPLICATION.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be approved as a participating lender.

Subd. 2. [RECEIPT OF APPLICATIONS FOR INTEREST BUY-DOWN.] A participating lender shall receive and evaluate loan applications from a farmer or small business. An eligible borrower must complete a loan application with a participating lender before December 31, 1994. In determining whether to make a farm or small business loan, the participating lender may use criteria in addition to those in sections 12 and 13.

Subd. 3. [MAXIMUM INTEREST RATE.] To qualify for interest buy-down payments, a participating lender shall offer to make a farm or small business loan to an eligible borrower at a rate of interest equivalent to that offered to other borrowers having similar security and financial status, less the lender's contribution under the program. The commissioner, in cooperation with the commissioner of commerce, may use appropriate means to verify that the interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Subd. 4. [PRIORITY.] Properly completed applications for the interest buy-down program take priority in the order they are received by the commissioner.

Sec. 15. [RESPONSIBILITIES OF COMMISSIONER.]

Subdivision 1. [ANNOUNCEMENT OF PROGRAM PROCEDURES.] Within 30 days after the effective date of sections 11 to 18, the commissioner shall announce procedures for the interest buy-down program.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner, in cooperation with the commissioner of commerce, shall prepare and distribute forms and instructions, including forms for the statement required under section 18, to all lenders in the state.

Subd. 3. [APPROVAL OF APPLICATIONS FOR INTEREST BUY-DOWN PAYMENT.] (a) The commissioner shall review, within five working days of submission by a participating lender, a properly completed application for interest buy-down payments on a farm or small business loan. If a

participating lender does not receive written notice that the commissioner has denied interest buy-down payments within seven working days, the borrower is an eligible borrower and interest buy-down payments on the farm or small business loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest buy-down program funds have been encumbered, plus an amount anticipated to become available because of loans that may be retired early, must be returned immediately to the lender with an explanation that participation in the interest buy-down program is denied due to prior commitment of available program funds.

Subd. 4. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.]
Within 60 days after a request by a participating lender, the commissioner shall pay to the participating lender one-half of the expected interest buy-down amount. The balance of the state contribution must be paid by the commissioner to the participating lender within 30 days after the loan matures or is repaid in full and the request is submitted by the participating lender. All interest buy-down payments under this article must be made by joint-payee checks in the name of the participating lender and the eligible borrower.

Sec. 16. [STATE CONTRIBUTION; MAXIMUM LOAN.]

The commissioner shall pay to a participating lender for the first \$50,000 of an approved farm or small business loan made to an eligible borrower an amount equal to an annual rate of three percent interest on the loan, but the payment may not exceed \$2,250 per farm or small business loan.

Sec. 17. [LENDER CONTRIBUTION.]

A participating lender shall provide a reduction in interest rate for the first \$50,000 of an approved farm or small business loan made to an eligible borrower in an amount equal to an annual rate of at least one-half of one percent interest on the loan.

Sec. 18. [BORROWER STATEMENT.]

No person may receive a farm or small business loan under sections 11 to 18 until the person has signed a statement acknowledging that the relief provided in the interest buy-down program is a form of government spending that has been made available to the person through the collection of taxes. The commissioner must retain a copy of the statement from each recipient.

Sec. 19. [APPROPRIATION; INTEREST BUY-DOWN.]

(a) 5,000,000 is appropriated from the general fund to the commissioner of agriculture for the interest buy-down program in sections 11 to 18. Any unencumbered balance remaining on July 1, 1995, does not cancel but is transferred to and becomes additional funding for the emergency job creation program in section 22. Not more than \$200,000 of this appropriation may be used by the commissioner for program administrative costs.

(b) The commissioner shall not approve an application for a loan under the interest buy-down program after the appropriation for the program, plus an amount anticipated to become available because of loans that may be retired early, has been fully committed.

Sec. 20. [APPROPRIATION; GRAIN GRADING AND TESTING EQUIPMENT; PILOT CHECK-TEST PROGRAM.]

(a) \$250,000 is appropriated from the general fund to the commissioner of agriculture as supplemental funding for activities of the grain inspection and weighing programs of the department. The additional funding is for a thorough, properly documented, review of the accuracy of equipment used by country elevators to test grain for determination of price. The sample selection, equipment testing, and analytical procedures must be performed using commonly accepted protocols. Tolerances to be used for determination of a re-test are those adopted in rule pursuant to Minnesota Statutes, section 17B.041.

(b) The pilot check-testing program must be conducted throughout the agricultural areas of the state at country elevators selected by the commissioner. Country elevators in the selected counties must undergo check-testing an average of four times per year, including both peak harvest periods and nonharvest periods. Check-testing must include all grains the elevator handles in significant quantity.

(c) Not later than February 15, 1996, the commissioner shall report to the committees of the Minnesota senate and house of representatives on the activities and findings of the pilot check-test program, along with recommendations for ways to assure increased accuracy in grain testing.

(d) This appropriation is available until December 31, 1995.

Sec. 21. [APPROPRIATION; FEDERAL EMERGENCY MANAGEMENT ASSISTANCE MATCH.]

\$2,908,000 is appropriated from the general fund to the commissioner of public safety to provide matching funds for federal emergency management assistance funds received in flood damaged counties in 1993.

Sec. 22. [APPROPRIATION; EMERGENCY JOB CREATION; DEPARTMENT OF JOBS AND TRAINING.]

\$2,000,000 is appropriated from the general fund to the commissioner of jobs and training to supplement the federal emergency job creation program. This appropriation is available when federal funding for the emergency job creation program in Minnesota is exhausted. The commissioner may allow projects that would not have been funded by the federal government in order to fund public projects, employing flood victims, that are not necessarily related to flood damage, but which local governments are unable to undertake because of flood expenses. The commissioner may also fund the leasing or other use of specialized equipment and services for projects undertaken with this appropriation. This appropriation is available until August 31, 1995.

Sec. 23. [APPROPRIATION; WHEAT SCAB RESEARCH.]

\$477,000 is appropriated from the general fund to the University of Minnesota for the fiscal biennium ending June 30, 1995, for research into the problem of wheat scab (vomitoxin) in Minnesota. The research should be designed to minimize the adverse effects of future wheat scab infestations in the short term while seeking to fully eliminate the problem in the long term.

Sec. 24. [APPROPRIATION; FARM ADVOCATES.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture to supplement other sources of funding for the farm advocates program. This appropriation is available until June 30, 1995.

Sec. 25. [APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.]

(a) *\$100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for grants to agricultural information centers. No match is needed for the release of these supplemental state dollars. This appropriation is available until June 30, 1995.*

(b) *For money appropriated in Laws 1993, chapter 172, section 7, subdivision 4, for agricultural information centers, a match is not required for fiscal year 1994 appropriations and a match of four state dollars for each \$1 of matching nonstate money is required for fiscal year 1995 appropriations.*

Sec. 26. [APPROPRIATION; LEGAL ASSISTANCE TO FARMERS.]

\$200,000 is appropriated from the general fund to the supreme court as supplemental funding for legal assistance to farmers in accordance with Minnesota Statutes, section 480.242, subdivision 5. This appropriation is available until June 30, 1995. This appropriation shall be in addition to other appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received.

Sec. 27. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; STATE BOARD OF TECHNICAL COLLEGES.]

(a) *\$150,000 is appropriated from the general fund to the state board of technical colleges for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:*

(1) *for teleconferencing to provide information to farm and small business operators from federal and state agencies; and*

(2) *for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by adverse weather conditions in 1993.*

(b) *The board must coordinate the delivery of services with the Minnesota extension service to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.*

Sec. 28. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; MINNESOTA EXTENSION SERVICE.]

(a) *\$100,000 is appropriated from the general fund to the University of Minnesota for the Minnesota extension service for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:*

(1) *by the center for farm financial management for computer software upgrades and support of educators providing financial information to farmers; and*

(2) *for support, assistance, and travel expenses for educators to target*

emergency assistance to persons in counties affected by adverse weather conditions in 1993.

(b) The Minnesota extension service must coordinate the delivery of services with the state board of technical colleges to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 29. [APPROPRIATION; SMALL BUSINESS DISASTER REVOLVING LOAN FUND.]

\$900,000 is appropriated from the general fund to the commissioner of trade and economic development to supplement funding of programs through the federal Economic Development Administration. Use of these funds may include providing local matches to federal dollars through the regional development commissions or alternative groups. This appropriation is available until June 30, 1995.

Sec. 30. [APPROPRIATION; ETHANOL PRODUCTION.]

\$1,475,000 is appropriated from the general fund to the ethanol development fund.

Sec. 31. [APPROPRIATION; AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

\$1,000,000 is appropriated from the general fund to the agricultural utilization research institute for programs targeted to crops or regions that suffered losses in 1993. This appropriation is available until June 30, 1995.

Sec. 32. [APPROPRIATION; DAIRY LITIGATION.]

(a) \$55,000 is appropriated from the general fund to the supreme court as a one-time appropriation for family farm legal assistance for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). This appropriation shall be in addition to other appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received. This appropriation is available until June 30, 1995. The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

(b) The \$20,000 balance on May 22, 1993, of amounts authorized under Laws 1992, chapter 513, article 2, section 6, subdivision 5, is transferred to the general fund and is appropriated to the supreme court for family farm legal assistance rendered from July 1, 1993, through June 30, 1995, for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

Sec. 33. [APPROPRIATION; BEAVER CONTROL.]

\$50,000 is appropriated to the commissioner of agriculture for a grant to the beaver damage control joint powers board formed by Beltrami, Clearwater, Marshall, Pennington, Polk, and Red Lake counties, for the purpose of

beaver damage control. The grant must be matched by at least \$30,000 from the joint powers board. This appropriation is available until June 30, 1995.

Sec. 34. [APPROPRIATION; GRAIN INSPECTION AND WEIGHING ACCOUNT DEFICIT.]

\$200,000 is appropriated from the general fund to the grain inspection and weighing account established in Minnesota Statutes, chapter 17B, and from the account to the commissioner of agriculture as needed for carrying out the purposes of Minnesota Statutes, chapter 17B.

Sec. 35. [APPROPRIATION; VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

\$1,000,000 is appropriated from the general fund to the value-added agricultural product revolving fund for use by the rural finance authority as provided in section 4. The commissioner of agriculture may use any portion of the fund as a grant to a city to attract and provide an incentive to locate an agricultural product processing facility whose project cost is estimated to be at least \$100,000,000. \$750,000 of the amount appropriated to the fund shall be available to make such a grant to a city until December 31, 1994, and after that date any unused portion of this available grant money shall be transferred to the commissioner for the interest buy-down program in sections 11 to 18.

Sec. 36. [APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.]

\$40,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force.

Sec. 37. [APPROPRIATION; HIGH OIL SOYBEANS RESEARCH.]

\$150,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make research grants to the University of Minnesota or other educational institutions in Minnesota to develop higher protein, higher oil content varieties of soybeans that would grow in Minnesota.

Sec. 38. [APPROPRIATION; STATE PARK ROAD ACCOUNT.]

\$250,000 is appropriated from the general fund to the commissioner of transportation with instructions that it be added to the state park road account under Minnesota Statutes, section 162.06, subdivision 5.

Sec. 39. [APPROPRIATION; DAIRY LEADERS ROUNDTABLE.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for a grant to the dairy leaders round table. This appropriation must be matched with nonstate funds.

Sec. 40. [APPROPRIATION; FEEDLOT MANURE MANAGEMENT ADVISORY COMMITTEE.]

\$5,000 is appropriated from the general fund to the commissioner of agriculture for payment of expenses for the feedlot and manure management advisory committee.

Sec. 41. [REPORT OF AGENCIES.]

Before January 1, 1996, the commissioner of public safety shall coordinate and present to the legislature a report from all departments, agencies, and organizations receiving funding under this act regarding the specific uses of such funding and the effects of assistance provided under this act to the agricultural economy and rural communities affected by natural disasters in 1993.

Sec. 42. [EFFECTIVE DATE.]

Sections 3 and 10 are effective retroactive to July 1, 1993. Sections 1, 2, 4 to 9, and 11 to 42 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural businesses; providing for promotion of nontraditional agriculture, inspection of agricultural operations, ethanol development, a value-added agricultural product loan program, sale of stock in cooperatives, and care of dogs and cats; creating an interest buy-down program; exempting from the sales tax the gross receipts from sales of used farm machinery; providing matching money for federal emergency disaster funds in flood damaged counties; providing for emergency job creation; authorizing a grain grading and testing equipment pilot program; providing supplemental funding for grain inspection programs, the ethanol development fund, and small business disaster loan programs; expanding research on grain diseases and soybeans; increasing funding for the farm advocates program, agricultural resource centers, legal assistance to farmers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges and Minnesota extension; funding a beaver control program, the dairy leaders roundtable, the state park road account, an advisory committee, and a task force; providing funding to the Agricultural Utilization Research Institute; requiring a report; appropriating money; amending Minnesota Statutes 1992, sections 17.03, by adding a subdivision; 180.03, by adding a subdivision; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 41B.044, subdivision 2; and 80A.15, subdivision 2; Laws 1993, chapter 172, section 7, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 41B; and 346."

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

Senate Conferees: (Signed) Joe Bertram, Sr., Paula E. Hanson, Steven Morse, Keith Langseth, Steve Dille

House Conferees: (Signed) Stephen G. Wenzel, Katy Olson, Doug Peterson, Andy Steensma, Virgil J. Johnson

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2168 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2168 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Morse	Sams
Anderson	Dille	Knutson	Neuville	Samuelson
Belanger	Finn	Kroening	Novak	Solon
Benson, D.D.	Frederickson	Laidig	Oliver	Spear
Benson, J.E.	Hanson	Langseth	Olson	Stevens
Berg	Hottinger	Larson	Pappas	Stumpf
Berglin	Janezich	Lesewski	Pariseau	Vickerman
Bertram	Johnson, D.E.	Luther	Piper	Wiener
Betzold	Johnson, D.J.	Marty	Price	
Chandler	Johnson, J.B.	McGowan	Ranum	
Chmielewski	Johnston	Metzen	Reichgott Junge	
Cohen	Kelly	Moe, R.D.	Runbeck	

Ms. Flynn and Mr. Merriam voted in the negative.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS – CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 218 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 218: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing a marine education center at the Minnesota zoological garden; authorizing issuance of bonds; appropriating money, with certain conditions.

Mr. Merriam moved to amend H.F. No. 218 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [CAPITAL IMPROVEMENTS APPROPRIATIONS.]

The sums in the column under “APPROPRIATIONS” are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

ADMINISTRATION	\$ 47,526,000
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	5,163,000
AMATEUR SPORTS COMMISSION	3,119,000
MILITARY AFFAIRS	366,000
FINANCE	5,500,000
CORRECTIONS	72,953,000
HUMAN SERVICES	47,550,000
VETERANS HOMES BOARD	10,630,000
TECHNICAL COLLEGES	45,505,000
COMMUNITY COLLEGES	36,945,000
STATE UNIVERSITIES	57,250,000
UNIVERSITY OF MINNESOTA	68,700,000
EDUCATION	40,304,000
TRANSPORTATION	58,016,000
HOUSING FINANCE AGENCY	2,500,000
JOBS AND TRAINING	2,600,000
LABOR INTERPRETIVE CENTER	750,000
MINNESOTA HISTORICAL SOCIETY	7,035,000
PUBLIC SERVICE	4,000,000
TRADE AND ECONOMIC DEVELOPMENT	4,900,000
MINNESOTA TECHNOLOGIES, INC.	400,000
NATURAL RESOURCES	58,917,000
POLLUTION CONTROL AGENCY	23,401,000
PUBLIC FACILITIES AUTHORITY	13,400,000
BOARD OF WATER AND SOIL RESOURCES	9,800,000
MINNESOTA ZOOLOGICAL GARDEN	21,500,000
BOND SALE EXPENSES	628,000
TOTAL	\$649,358,000
Bond Proceeds Fund	573,383,000
Maximum Effort School Loan Fund	2,967,000
Transportation Fund	45,000,000
Trunk Highway Fund	27,492,000

General Fund

516,000

APPROPRIATIONS

\$

Sec. 2. ADMINISTRATION

Subdivision 1. To the commissioner of administration for purposes specified in this section

47,526,000

Subd. 2. Capital Asset Preservation and Replacement (CAPRA)

10,150,000

This appropriation is for unanticipated emergencies of a capital nature, projects to remove life safety hazards, elimination or containment of hazardous substances, and replacement and repair of roofs, windows, and other capital assets in accordance with Minnesota Statutes, section 16A.632. This appropriation is available for use at state facilities throughout the state.

The commissioner shall give all state agencies, other than higher education systems, higher education board, and University of Minnesota an opportunity to apply for money for urgently needed projects under this appropriation. The commissioner shall determine project priorities as appropriate based upon need.

Up to \$250,000 of the money appropriated in subdivisions 2 and 3 may be used as necessary to acquire land or interests in land within the capitol area as defined in Minnesota Statutes, section 15.50.

Subd. 3. Statewide Building Access

11,500,000

For improvements of a capital nature to remove barriers and make state-owned buildings, programs, and services accessible to individuals with disabilities, including compliance with federal ADA guidelines. The commissioner shall determine project priorities as appropriate based upon need. In determining project priorities, the commissioner must give lower priority to projects in facilities which the state intends to demolish, sell, or abandon within five years.

Subd. 4. Transportation Building Phase III

13,416,000

To continue life safety renovation at the transportation building in the basement and on the ground, third, fourth, fifth, and sixth floors. This renovation is to include new heating, ventilation, and air conditioning systems, elevators, lighting, windows, and raised floors.

This appropriation is from the trunk highway fund.

Account balances from previous appropriations for earlier phases of this continuing project may be used for phase III.

Subd. 5. Agency Relocation

1,060,000

This appropriation is from the trunk highway fund for the partial relocation of the department of transportation.

Subd. 6. Health Building Predesign

400,000

For predesign of a new health building and parking ramp in the capitol complex area in St. Paul.

Subd. 7. Military Affairs Facility Predesign

100,000

Subd. 8. Install Security Lighting and Surveillance Equipment

400,000

To proceed with the installation of capitol area security and surveillance equipment of a capital nature.

Subd. 9. Electric Utility Infrastructure

600,000

To improve and upgrade the utility infrastructure in the capitol complex area through installation of a third switchgear.

Subd. 10. Lake Superior Center Authority

4,000,000

To the commissioner of administration for a grant to the Lake Superior center authority for costs to design, construct, furnish, and equip the center.

Use of this appropriation is contingent upon the authority obtaining matching funds of \$8,000,000 from federal and other nonstate sources.

Subd. 11. Southwest Minnesota Public Television

1,200,000

This appropriation is for a grant to Murray county to construct a noncommercial television tower to enable Pioneer Public

Television to provide broadcast services to southwestern Minnesota, subject to new Minnesota Statutes, section 16A.695. The appropriation is available only as matched by an equal amount from non-state sources.

Subd. 12. Hopkins Performing Arts Center

500,000

This appropriation is for a grant to the city of Hopkins to acquire and better a performing arts center, subject to new Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that the necessary additional financing to complete a \$3,100,000 project has been committed by nonstate sources.

Subd. 13. St. Louis County Heritage and Arts Center

750,000

This appropriation is for a grant to St. Louis county to construct an addition to the St. Louis county heritage and arts center in Duluth, subject to new Minnesota Statutes, section 16A.695.

This appropriation is available only as matched by \$2 of nonstate money for every \$1 of state money.

Subd. 14. Minnesota Children's Museum

1,250,000

This appropriation is for a grant to the city of St. Paul to acquire and better a children's museum as authorized by section 81, subject to new Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that the necessary financing to complete the project has been committed by nonstate sources.

Subd. 15. Science Museum of Minnesota

1,000,000

This appropriation is for a grant to the city of St. Paul to plan and design a science museum as authorized by section 81, subject to new Minnesota Statutes, section 16A.695.

This appropriation is not available until the city of St. Paul has delivered to the commissioner a certified copy of a resolution of the city of St. Paul requesting

payment and evidencing the commitment of the city to make a city-owned river-front site available for the museum at no cost to the nonprofit organization that will operate the museum and the commissioner has determined that the necessary financing to complete the design of the museum has been committed by nonstate sources.

Subd. 16. Gillette Renovation For Humanities Commission

1,200,000

To the commissioner of administration for a grant to the city of St. Paul for renovation of the Gillette Hospital west wing for use by the Minnesota Humanities Commission to operate its educational programs as authorized by section 72.

Sec. 3. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

Subdivision 1. To the capitol area architectural and planning board for the purposes specified in this section

5,163,000

Subd. 2. Restore and Renovate Capitol Building Exterior

5,000,000

To the commissioner of administration to renovate and improve the capitol including reroofing, repair of the roof balustrade, and Quadriga restoration. No more than \$35,000 of this appropriation is to the capitol area architectural and planning board for design review fees.

Subd. 3. Capitol Building Exterior Maintenance Manual

65,000

This appropriation is from the general fund.

\$65,000 of the unencumbered balance of the appropriation in Laws 1988, chapter 686, article 1, section 6, paragraph (j), is canceled to the general fund.

Subd. 4. Renovate and Improve Security of Attorney General's Office

98,000

Sec. 4. AMATEUR SPORTS COMMISSION

Subdivision 1. To the amateur sports commission for the purposes specified in this section

3,119,000

Subd. 2. National Sports Center Parking Expansion

119,000

To the amateur sports commission to construct 500 additional parking spaces at the national sports center in Blaine. All of the debt service costs on the bonds sold to finance this project must be paid by the national sports center to the commissioner of finance as required by Minnesota Statutes, section 16A.643, but the first payment need not be made until three years after construction is completed.

Subd. 3. John Rose Memorial Oval Speedskating Facility

500,000

To the city of Roseville to complete construction of the John Rose memorial oval speedskating facility in consultation with the amateur sports commission, contingent on the receipt of \$500,000 in matching funds from other sources.

Subd. 4. Indoor National Shooting Sports Center

2,500,000

This appropriation is to construct an indoor national shooting sports center at any site in the taconite tax relief area as defined in Minnesota Statutes, section 273.134.

The appropriation in Laws 1990, chapter 610, article 1, section 25, paragraph (b), for a grant to construct an indoor national shooting sports center at Giant's Ridge in Biwabik, is canceled to the state bond fund.

Sec. 5. MILITARY AFFAIRS

366,000

To the adjutant general to renovate kitchen facilities at national guard training and community centers in Anoka, Camp Ripley, Chisholm, Cloquet, Detroit Lakes, Grand Rapids, Hibbing, Litchfield, Marshall, and St. James.

Sec. 6. FINANCE**Defease Prior Local Bonds**

5,500,000

\$2,600,000 is for a grant to the city of Minneapolis to be used, together with such other money of the city as may be necessary, to pay and redeem or defease \$2,600,000 principal amount of bonds issued by the city to finance construction

of the Great River Road under Laws 1988, chapter 686, article 1, section 14, item (k).

\$2,900,000 is for a grant to the city of St. Paul to be used, together with such other money of the city as may be necessary, to pay and redeem or defease \$2,900,000 principal amount of bonds issued by the city to finance capital improvements at the Como Park conservatory under Laws 1988, chapter 686, article 1, section 14, item (l).

The commissioner of finance may propose additional conditions on the use and investment of the proceeds as may be necessary in his judgment to ensure that the interest on the state bonds issued to fund this appropriation is exempt from federal income taxation.

Sec. 7. CORRECTIONS

Subdivision 1. To the commissioner of administration or another named commissioner for the purposes specified in this section

72,953,000

Subd. 2. Minnesota Correctional Facility-Faribault

(a) Add 300 medium security beds

10,000,000

This appropriation includes new construction, demolition, and renovation of a capital nature of the hospital and Poppy, Alpine, Oak, Sierra, Fern, and Rose buildings and related security improvements of a capital nature. Until all the clients of the Faribault regional center are discharged, the Minnesota correctional facility-Faribault shall give preference to the Faribault regional center employees in recruiting, training, and hiring for new Minnesota correctional facility-Faribault positions created by the 300-bed expansion.

(b) Rehabilitate facilities

832,000

This appropriation is to renovate Rogers building to meet fire codes and remove hazardous materials, erect a section of security fence by the hospital building, replace inadequate heating systems in Maple and Cedar living units, and construct internal roads.

Subd. 3. Minnesota Correctional Facility-
Lino Lakes

(a) Add 485 adult male beds

10,444,000

This appropriation is to remodel B building from an industries building to living units, construct two new living units, and upgrade security and support service areas.

(b) Education Building

182,000

This appropriation is to improve and expand the Lino Lakes facility's school building.

\$182,000 of the appropriation in Laws 1992, chapter 558, section 9, subdivision 4, to infill the area between buildings G and F1 at the MCF-Lino Lakes is canceled to the state bond fund.

Subd. 4. Minnesota Correctional Facility-
Moose Lake

19,000,000

This appropriation is to complete the conversion of the Moose Lake regional treatment center into a medium security prison housing up to 620 inmates. This includes relocation of state highway 289, purchase of an emergency generator, upgrading the elevators to meet fire codes, securing stairways and tunnels, and major repair or replacement of ceilings, windows, exterior doors, and the electrical distribution system.

This appropriation is added to the appropriation in Laws 1993, chapter 373, section 8, subdivision 2, and the maximum total cost of the facility is increased from \$25,800,000 to \$28,600,000.

Subd. 5. Minnesota Correctional Facility-
Red Wing

(a) Construct 30-bed facility

2,700,000

This appropriation is to construct, furnish, and equip a new 30-bed residential facility for the secure detention of violent and juvenile offenders until they are able to control their behavior in an open campus environment.

(b) Replace emergency generators

315,000

Subd. 6. Minnesota Correctional Facility-Shakopee

80,000

This appropriation is to predesign a new 60-bed living unit and support areas at Minnesota correctional facility-Shakopee.

Subd. 7. Minnesota Correctional Facility-Stillwater

(a) Education complex and C annex

4,500,000

This appropriation is to convert the auditorium building into an education complex and convert C annex into a library with interview rooms for inmates.

(b) Industry buildings

1,700,000

This appropriation is to renovate existing facilities and to construct, furnish, and equip industry buildings. This includes renovation of a capital nature of the farm machinery building, cordage warehouse, and foundry building.

Subd. 8. Thistledeu Education Building

1,200,000

This appropriation is to construct, furnish, and equip an education building at Thistledeu Camp to serve 48 students.

Subd. 9. Close Custody Facility

2,000,000

This appropriation is for predesign and design development for a new 800-bed close custody facility in or near the Twin Cities metropolitan area.

Subd. 10. Juvenile Detention Facilities Construction Grants

16,565,000

To the commissioner of corrections for grants to counties for construction of secure juvenile detention and treatment facilities, as provided in section 79.

Of this amount, \$1,250,000 is for detention facilities that provide culturally sensitive programming for male and female juveniles in Hennepin and Ramsey counties.

Subd. 11. Northwestern Minnesota Juvenile Training Center Supplemental Grant

3,435,000

To the commissioner of corrections for a grant to Beltrami county as fiscal agent for the northwestern Minnesota juvenile training center, to design, construct,

equip, and furnish a juvenile detention and treatment facility.

Sec. 8. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for purposes specified in this section

47,550,000

Subd. 2. Homes for State-Operated Waiver Services (SOCS)

8,835,000

\$6,135,000 is to purchase and remodel, or construct up to 43 four-bed homes for purposes of state-operated waiver services programs for developmentally disabled individuals at various locations throughout the state.

\$2,700,000 of this appropriation is for a contingency to acquire and better additional four-bed homes for purposes of state-operated waiver services programs for developmentally disabled individuals under the terms of future negotiated downsizing of regional treatment centers under the ten-year plan.

Debt service costs on the bonds sold to finance this project must be paid to the commissioner of finance in accordance with Minnesota Statutes, section 16A.643, from group residential housing fees charged and collected by the commissioner of human services under Minnesota Statutes, chapter 256L.

Subd. 3. Metro Area Predischarge Program

1,500,000

To purchase two 16-bed apartment complexes in the Twin Cities metropolitan area for state-operated predischarge programs for persons with mental illness.

Subd. 4. Anoka Metro Regional Treatment Center

Consolidate and restructure campus

37,000,000

To construct, remodel, furnish, and equip new residential, program, and ancillary service facilities for the Anoka metro regional treatment center. This includes construction for 150 psychiatric hospital beds, ancillary service facilities, and site improvements.

For this project the commissioner will use plans and designs previously developed

for a psychiatric hospital at Fergus Falls regional treatment center to the maximum extent possible.

Subd. 5. St. Peter Regional Treatment Center

Air Condition Tomlinson Hall

215,000

To upgrade the ventilation and air conditioning of Tomlinson Hall so it can be utilized year round.

Sec. 9. VETERANS HOMES BOARD

Renovate Minneapolis veterans home

10,630,000

(a) This appropriation is to the commissioner of administration.

(b) This campus renovation project includes money for:

(1) renovation of building 6 to skilled nursing care standards;

(2) renovation of building 9 to board and care standards;

(3) renovation of buildings 1, 2, and 4 to current health care standards;

(4) renovation of the Minnehaha Creek bridge;

(5) creation of a new campus entrance and adaption of the building 17 entrance;

(6) demolition of building 7 and improvements to the road system for circulation and access to all buildings;

(7) renovation of building 16 to board and care standards; and

(8) campuswide asbestos removal, road upgrading, installation and integration of fire alarms, improved exterior lighting, power plant upgrades, and federal Americans with Disabilities Act improvements.

(c) This appropriation represents 35 percent of the estimated cost of the renovation project.

The Minnesota veterans homes board must apply for the federal money needed to complete this project. The commissioner of administration shall receive the federal money and use the money to complete the project. The total appropria-

tion may be spent for this renovation project before the federal money for the project is received, but the project must not be started until enough federal or other money has been committed to complete it.

Sec. 10. TECHNICAL COLLEGES

Subdivision 1. To the state board of technical colleges for the purposes specified in this section

45,505,000

Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, the state board of technical colleges may approve a request by a local school board to use any unobligated balance in the technical college debt redemption fund to pay the district's share of construction projects authorized in this section.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Notwithstanding Minnesota Statutes, section 136C.44, during the biennium the state board of technical colleges must not make grants to school districts but shall directly supervise and control the preparation of plans and specifications to construct, alter, or enlarge the technical college buildings, structures, and improvements provided for in this section.

During the biennium, the state board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

During the biennium, the state board may delegate the authority provided in this section to the campus president for repair and replacement projects with a total cost of less than \$50,000, if the state board determines that the projects can be efficiently managed at the campus level.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

The state board may delegate responsibilities to technical college staff.

Subd. 2. Higher Education Asset Preservation and Renewal

8,838,000

This appropriation must be spent in accordance with new Minnesota Statutes, section 135A.046.

State appropriations for parking repairs under this subdivision must not be used for more than one-half of the construction or repair cost at any campus. The campus must provide the remaining costs through parking fees. The state board must report on parking fees to the chairs of the senate finance and house ways and means committees by February 1, 1995.

Subd. 3. Brainerd Technical College

21,300,000

This appropriation is to construct a joint campus with Brainerd Community College. The technical college board must consult with the community college board throughout the project. This appropriation is contingent upon the approval of the independent school district No. 181 bond referendum to purchase the current technical college campus for the appraised value of the property. The payment for the purchase of the current technical college is appropriated for this project.

This appropriation must not be used for road construction, except for a loop road that is used for fire safety access.

The total additional cost to complete this project must not exceed \$24,117,000.

whether paid from state, local, or federal money.

Subd. 4. Dakota County Technical College

600,000

This appropriation is to complete the decision driving course. The total additional cost to complete the project must not exceed \$1,200,000 whether paid from state, local, or federal money.

Subd. 5. Duluth Technical College

10,800,000

This appropriation is to remodel and construct a campus that is integrated with Duluth Community College center. The technical college board must consult with the community college board throughout the project.

Subd. 6. East Grand Forks Technical College

1,000,000

This appropriation is to complete additions to the college, including the medical labs and laboratory equipment, and student service offices.

Subd. 7. Hibbing Technical College

1,000,000

This appropriation is to prepare working drawings for a new integrated technical college attached to the Hibbing Community College. The new technical college shall maximize the current services, space, and programs of the community college. The public post-secondary boards shall develop a master academic plan for the integrated campus before the development of working drawings.

Subd. 8. Hutchinson Technical College

380,000

This appropriation is to plan, design, and prepare working drawings for an addition to the west side of the campus for a media library and a child care center and laboratory, and to prepare working drawings for an exhibit and concourse entrance and a center of excellence for nondestructive testing technology.

Subd. 9. Northeast Metro Technical College

162,000

To construct a truck driving classroom support facility.

Subd. 10. Rochester Technical College

1,200,000

This appropriation is to prepare working drawings for an integrated campus in accordance with this subdivision.

(1) Rochester independent school district No. 535 and the state board of technical colleges may enter into an agreement for the sale of the Rochester Technical College. The sale is contingent on state board of technical colleges approval and passage of a referendum by the voters in Rochester school district No. 535. The sale price shall equal the appraised value.

It is the intent of the legislature that no technical college program reduction, apart from normal program review, shall occur as a result of this sale.

(2) The sale shall not cause the technical college to lease space or to move to any temporary site.

(3) Prior to the preparation of design documents, the post-secondary boards and the relevant campus staff shall jointly prepare a master academic plan for an integrated campus for the Rochester center facility. The boards shall consider the creation of a polytechnic university. Program review by the higher education coordinating board shall be done in accordance with Minnesota Statutes, section 136A.04. The plan shall be submitted to the higher education board for approval by December 1, 1994. If approved, the plan shall be submitted for review to the higher education finance divisions by January 15, 1995. The state board of technical colleges, in cooperation with the state board of community colleges, shall not proceed with working drawings until after passage of the referendum and after the master academic plan has been approved by the higher education board.

(4) The proceeds from the sale of the technical college to Rochester independent school district No. 535, are appropriated for the planning and construction necessary to integrate technical college programs into the Rochester center and to add or modify space where necessary. The new technical college program space must be attached to and must maximize the current services, space, and programs

of the technical college, community college, state university, and University of Minnesota cooperative campus. The state board of technical colleges may not begin construction of this project until the legislature has approved the construction plans.

(5) The state board of technical colleges shall develop a plan to relocate to the Austin, Faribault, and other Southeastern Minnesota campuses all Rochester campus programs that are not essential to the integrated mission planned for the Rochester center facility. This plan must be completed prior to preparing design documents for the technical college addition to the Rochester center.

(6) The state board of technical colleges shall consider relocating the horticulture technology program from the Rochester campus to the Austin campus of Riverland technical college before the start of the 1995-1996 academic year.

Subd. 11. St. Cloud Technical College

225,000

This appropriation is to remodel and construct an addition for classrooms, labs, and student and staff areas. The state university and technical college in St. Cloud shall review the academic plan for the campus before the expenditure of this appropriation. Independent school district No. 742 must spend at least \$1,336,000 of local money for this project.

Subd. 12. St. Paul Technical College

Independent school district No. 625, St. Paul, may make expenditures and transfers from its technical college debt redemption fund as authorized in this subdivision, notwithstanding Minnesota Statutes, section 475.61, subdivision 4. Before making any other expenditures, the school district must first pay, redeem, or defease the entire amount of bond obligations issued for acquisition and betterment of the St. Paul technical college. Thereafter the school district may spend \$834,000 to acquire and better properties adjacent to the technical college campus for use for educational purposes and to plan and design for remodeling the student services area and the chemical tech-

nology laboratory and for upgrading the building automation system at the technical college. After the \$834,000 has been obligated and when all bond obligations issued by the school district for the acquisition and betterment of the St. Paul technical college have been redeemed in accordance with their terms, any amounts escrowed for the defeasance of those bond obligations, approximately \$310,000, must be transferred to the district's general fund and used to reduce the district's property tax levy.

Sec. 11. COMMUNITY COLLEGES

Subdivision 1. To the state board for community colleges for the purposes specified in this section

36,945,000

During the biennium, the state board for community colleges shall supervise and control the making of necessary repairs to all community college buildings and structures.

During the biennium, the community college board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the community college buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more

money than the appropriation for it, unless otherwise provided in this act.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Subd. 2. Higher Education Asset Preservation and Renewal

7,000,000

This appropriation must be spent in accordance with new Minnesota Statutes, section 135A.046.

Subd. 3. Anoka Ramsey Community College

400,000

This appropriation is to prepare design documents to remodel and add space to the campus.

Subd. 4. Cambridge Community College Center

8,000,000

This appropriation is to construct classrooms, ITV facilities, teaching laboratories, learning resource center, campus center, offices, and institutional services.

Subd. 5. Inver Hills Community College

350,000

This appropriation is to acquire land and relocate the campus entry road and to prepare schematic plans for an addition and remodeling space for classrooms, a learning resource center, laboratories, health and physical education areas, a campus center, and related space.

Subd. 6. Lakewood Community College

170,000

This appropriation is to prepare schematic plans for a learning resources center for joint use with northeast metro technical college, and for remodeling of classrooms, labs, Americans with Disabilities Act accessible locker and fitness space, and institutional services. The appropriation is available only after a master academic plan has been developed for the campus and approved by the higher education board. The master academic plan shall be developed jointly with representation from each of the public post-secondary systems.

Subd. 7. Mesabi Community College

180,000

This appropriation is to prepare schematic plans to remodel and construct space for the learning resources center, labs, classrooms, student services, campus center, and institutional services. The appropriation is available only after a master academic plan has been developed for the campus and approved by the higher education board. The master academic plan shall be developed jointly with representation from each of the public post-secondary systems.

Subd. 8. Minneapolis Community College

375,000

This appropriation is to prepare working drawings to remodel and construct new space at the campus. The appropriation is available only after an approved master academic plan has been developed for the campus. The master academic plan shall be developed jointly with representation from each of the public post-secondary systems. The higher education board shall review the plan. The appropriation is available if the higher education board approves the plan.

Subd. 9. Normandale Community College

10,500,000

This appropriation is to construct and remodel space for educational programs, student services and administration, the campus center, faculty offices, and institutional services.

Subd. 10. North Hennepin Community College

6,000,000

This appropriation is to plan, design, remodel, and construct space for classrooms, labs, student services, learning resource center, the campus center, and administrative and related space.

Subd. 11. Northland Community College

(a) Integrate community college and technical college

100,000

This appropriation is to prepare working drawings for remodeling necessary for the integration of the community college and the technical college. The project will begin with the integration of the student services area and the learning resources center.

(b) Construct regional multievent cultural center

3,000,000

This appropriation is to construct a regional multievent cultural center. All cities, counties, and school districts in region 8A, and public post-secondary education systems shall cooperate in the construction and joint use of the facility. Up to \$2,000,000 is available immediately for this project, but the remainder of the money is not available unless matched by an equal amount of money or in-kind contributions from nonstate sources. The nonstate match added to this project is in lieu of the debt service payment assessed to higher education projects.

Subd. 12. Rainy River Community College Student Housing

750,000

To the state board for community colleges to acquire existing facilities for use as a dormitory or other student residence at International Falls for the use and benefit of Rainy River Community College. The state board for community colleges or its successor shall establish, maintain, revise when necessary, and collect rates and charges for the use of the student housing facilities. The rates and charges must be sufficient, as estimated by the board, to pay all expenses of operation and maintenance of the facilities, and to establish and maintain the reserve funds that the board considers necessary for repair, replacement, and maintenance of the facilities. The rates and charges collected are appropriated for these purposes. Funds and accounts established in furtherance of these purposes are not subject to Minnesota Statutes, section 136.67, subdivision 2, or its successor provision and are not subject to the budgetary control of the commissioner of finance. The state board for community colleges need not pay debt service for the appropriation in this subdivision.

Subd. 13. Vermilion Community College

120,000

This appropriation is to prepare schematic plans to remodel and construct space for labs, classrooms, student services, campus center, and institutional services. The appropriation is available only after a

master academic plan has been developed for the campus and approved by the higher education board. The master academic plan shall be developed jointly with representation from each of the public post-secondary systems.

Sec. 12. STATE UNIVERSITY SYSTEM

Subdivision 1. To the state university board for the purposes specified in this section

57,250,000

During the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment,² and accept the improvements when completed according to the plans and specifications.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

The state university board shall supervise and control the making of necessary repairs to all state university buildings and structures.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Subd. 2. Higher Education Assets Preservation and Restoration

8,900,000

This appropriation must be spent in accordance with new Minnesota Statutes, section 135A.046.

Subd. 3. Bemidji State

8,300,000

\$8,000,000 is to remodel and expand the library.

\$300,000 is for facility planning. The state university board and the state board of technical colleges shall develop a master academic and facilities plan for vocational and academic programs provided by the Bemidji state university and technical college to maximize current and new space and facilities.

Subd. 4. Metro State

12,300,000

To design, rehabilitate, and remodel buildings A and C and plan to rehabilitate the attached power plant upper level. Metro state must not lease additional space during the remodeling to accommodate programs and personnel currently housed in building C.

Subd. 5. Moorhead State

1,000,000

This appropriation is to acquire land in the five-block area adjacent to the campus.

Subd. 6. St. Cloud State

(a) Acquire a new boiler and related equipment

2,100,000

(b) Construct central chiller facility and prepare working drawings for a new library

4,000,000

(c) Acquire land in the six-block area adjacent to the campus

400,000

Subd. 7. Southwest State

250,000

This appropriation is to complete the recreational sports building authorized by Laws 1990, chapter 610, article 1, section 4, subdivision 6, and is not available unless matched by an equal amount from nonstate sources.

Subd. 8. Winona State

20,000,000

This appropriation is to construct a new library and chiller plant.

Sec. 13. UNIVERSITY OF MINNESOTA

Subdivision 1. To the board of regents of the University of Minnesota for the purpose specified in this section

68,700,000

Subd. 2. Higher Education Asset Preservation and Renewal

15,000,000

This appropriation must be spent in accordance with new Minnesota Statutes, section 135A.046.

Subd. 3. Facility Renewal

9,000,000

This appropriation is to repair and replace capital facilities, including Johnston Hall, Williamson Hall, and the civil and mineral engineering building.

Subd. 4. Twin Cities Campus

(a) Archival Research Facility

2,700,000

To design the archival research library to house all collections, and university manuscripts, special collections, and Immigration History Research Center documents and collections, and accommodate collections overflow for university, state university, private college, city, county, and regional libraries, and to house Minnetex services. The facility must include a public viewing area for display of materials to educate visitors on the importance of the archives and their historical context.

(b) Carlson School of Management

25,000,000

This appropriation is to design and construct a new facility to house the Carlson School of Management to provide space for all teaching, research, and service activities associated with the school's academic and community service programs.

The board of regents must match this appropriation with a minimum of \$20,000,000 of nonstate money. The legislature requests the board of regents to expend nonstate money prior to expenditure of this appropriation.

(c) Mechanical Engineering

13,000,000

To renovate and reconstruct labs, classrooms, and offices in the electrical engineering building. This appropriation is contingent upon the commitment of \$6,700,000 in nonstate funds. This appropriation is intended to complete the project.

Subd. 5. Duluth Medical School

4,000,000

To construct an addition to the medical school to house laboratories and support functions.

Subd. 6. Debt Service

The board of regents is not required to pay any debt service for the appropriations in this section, except for the Duluth medical school in subdivision 5. The matching money requirements in this section exceed the one-third debt service requirement.

Sec. 14. EDUCATION

Subdivision 1. To the commissioner of education, or another named officer, for the purposes specified in this section

40,304,000

Subd. 2. Center for Arts Education

The appropriations in this subdivision are to the commissioner of administration.

Renovate the Beta dormitory into a recreation center

789,000

Subd. 3. Faribault Academies

The appropriations in this subdivision are to the commissioner of administration.

(a) Renovate the east wing of Noyes hall

1,465,000

This appropriation is to renovate, furnish, and equip the east wing of Noyes hall to provide additional classrooms, library media center, and office space for support services. Maintenance employees of the academies may do the demolition work necessary to complete this project.

(b) Renovate science classroom

35,000

Subd. 4. Maximum Effort School Loans

2,967,000

To the commissioner of education from the maximum effort school loan fund to make capital loans to school districts as

provided in Minnesota Statutes, sections 124.36 to 124.46.

The commissioner shall review the proposed plan and budget of the project and may reduce the amount of the loan to ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review by reducing the proceeds of the loan paid to the district.

\$2,967,000 is for a capital loan to independent school district No. 707, Nett Lake.

Subd. 5. Cooperative Secondary Facilities

(a) Atwater, Cosmos, and Grove City

6,000,000

For cooperative secondary facilities grants under Minnesota Statutes, sections 124.491 to 124.494.

Notwithstanding Minnesota Statutes, sections 124.491 to 124.494 to the contrary, the commissioner of education shall award a grant of \$5,000,000 according to Minnesota Statutes, section 124.494, subdivision 1, and a grant of \$1,000,000 according to Minnesota Statutes, section 124.494, subdivision 4a, to a group of independent school district Nos. 341, Atwater; 461, Cosmos; and 464, Grove City. The group of districts must enter into a joint powers agreement and must comply with Minnesota Statutes, section 124.494, subdivision 6.

Notwithstanding the 180-day requirement of Minnesota Statutes, section 124.494, subdivision 5, the joint powers board must submit the question to the voters as required in that subdivision between the effective date of this section and November 15, 1994.

(b) Reorganized Districts

778,000

For grants to reorganized districts for remodeling and improving secondary facilities under Minnesota Statutes, section 124.494.

Subd. 6. Community Service Centers

1,200,000

For a grant to independent school district No. 432, Mahanomen, to construct a com-

munity service center at Nay-Tay-Waush in Mahnomen county on the White Earth Indian reservation. The center must be constructed on land leased to the school district by the White Earth Band of Chippewa Indians under a ground lease having an initial term of at least 20 years and a total term of at least 40 years, including renewal options. The school district must contract with the White Earth Band to operate the center on behalf of the school district, subject to new Minnesota Statutes, section 16A.695. The center and all the services provided by the center must be open to the public. This grant is contingent on a match of \$1,300,000 from the White Earth Band of Chippewa Indians.

Subd. 7. Metropolitan Magnet Schools

20,000,000

The commissioner of education shall award grants to groups of qualified metropolitan school districts under new Minnesota Statutes, section 124C.498.

Subd. 8. Lakeview School

2,070,000

For a grant to independent school district No. 518, Worthington, to acquire land, construct, and equip three cottages to meet the residential needs of children attending the Lakeview school. The commissioner of education shall not award the grant until the school district can demonstrate to the commissioner's satisfaction that appropriate department of human services approval, including licensure, will be granted.

Subd. 9. School Building Accessibility Grants

4,000,000

To the commissioner of education for grants according to Minnesota Statutes, sections 124C.71 to 124C.73. Up to \$25,000 of this appropriation is available to the department of education for administrative expenses specifically related to the disbursement of the grants after grants from the 1993 appropriation are distributed to school districts.

Subd. 10. Library Accessibility

1,000,000

To the commissioner of education to make grants for library accessibility capi-

tal projects under new Minnesota Statutes, section 134.45.

Sec. 15. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section

58,016,000

Subd. 2. Bloomington Ferry Bridge

7,631,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds to complete construction of the Bloomington ferry bridge and approaches.

This appropriation is added to the appropriation in Laws 1993, chapter 373, section 14, subdivision 2.

Subd. 3. I-494 and U.S. 61 Interchange; Wakota Bridge; E.I.S.

1,000,000

This appropriation is from the state transportation fund for the environmental impact statement and preliminary engineering to upgrade the highways I-494 and U.S. 61 interchange including the Wakota Bridge.

Subd. 4. Local Bridge Replacement and Rehabilitation

12,445,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

(1) matching federal-aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than

the replacement of the existing bridge;
and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

Subd. 5. Federal Aid Demonstration Projects

3,924,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to fund the non-federal matching requirement for demonstration projects of Forest Highway 11 in St. Louis and Lake counties, and County State-Aid Highway 41 in Nicollet county, and to fund half of the nonfederal matching requirement for the interstate substitution project in Duluth. The portion of the appropriation for the Duluth project is contingent upon payment by local government units of the remainder of the nonfederal share.

Subd. 6. Light Rail Transit

10,000,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match a \$10,000,000 federal grant for preliminary engineering and final design of light rail transit in the central corridor. The project must be managed by the commissioner of transportation.

Subd. 7. Transit Capital Improvements

10,000,000

This appropriation is from the state transportation fund for a grant to the metropolitan transit commission, or its successor agency, to acquire, construct and improve land, buildings, and related improvements for transit purposes. None of this appropriation may be used for light rail transit.

Subd. 8. Trunk Highway Facility Projects

13,016,000

To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the trunk highway fund.

(a) Installation of automatic fire sprinkler systems at maintenance headquarters in Virginia, Owatonna, and Windom

365,000

(b) Repair, replace, or construct chemical and salt storage buildings at 36 department of transportation locations statewide	1,030,000
(c) Construct, furnish, and equip a truck enforcement site and weigh scale in the Albert Lea area to replace the Lakeville site	886,000
(d) Construct, furnish, and equip a truck station and maintenance facility in Hutchinson on a new site to replace the current facility	897,000
(e) Construct, furnish, and equip a new truck station on Maryland Avenue in St. Paul to replace the current facility	5,440,000
(f) Construct an addition to the Detroit Lakes welding shop	355,000
(g) Remodel facilities and construct additions to truck stations in Ely, Montgomery, and Forest Lake	302,000
(h) Purchase, remodel, and expand the Minnesota National Guard truck maintenance facility in Tracy to fit the needs of a department of transportation truck station	359,000
(i) Build an unheated equipment storage building at the Golden Valley headquarters site	435,000
(j) Construct, furnish, and equip a truck station in Wadena on a new site to replace the current facility	527,000
(k) Remodel facility and construct an addition to the Preston truck station	174,000
(l) Construct, furnish, and equip class II safety rest areas in Darwin Winter park, Preston/Fountain vicinity, Pioneer monument, Camp Release historic monument, and Lake Shetek	200,000
(m) Land acquisition for new replacement truck station sites at Illgen City, Rushford, Gaylord, Madelia, Sherburne, and Litchfield	250,000
(n) Design fees to complete construction drawings for projects at Windom, Maplewood, Hastings, central services building, Arden Hills training center, and Albert Lea weigh scale	371,000

(o) Construct pole type storage buildings at department of transportation locations throughout the state	611,000
(p) Remove asbestos from various department of transportation buildings statewide	150,000
(q) Remodel facility and construct an addition to the Carlton truck station	259,000
(r) Remodel facility and construct an addition to the Sauk Centre truck station	255,000
(s) Remodel the old Burlington Northern train depot in Floodwood into a safety information center and rest area and phase out the wayside rest at Trunk Highways 2 and 73	150,000

After completion of the project, the commissioner of transportation shall convey the newly remodeled rest area for no or nominal consideration to the city of Floodwood, which thereafter shall operate and maintain it.

(t) The commissioner may use the balance of funds appropriated by Laws 1985, first special session chapter 15, section 9, subdivision 6, paragraph (c), for land acquisition for a weigh station on interstate highway 94 at Moorhead to supplement funds appropriated by Laws of 1989, chapter 269, section 2, subdivision 11, paragraph (d), for construction of the Moorhead weigh station.

Sec. 16. HOUSING FINANCE AGENCY

Subdivision 1. To the commissioner of the housing finance agency for the purposes specified in this section	2,500,000
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Subd. 2. Transitional Housing Loans	1,500,000
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To the commissioner of the housing finance agency for the purpose of making transitional housing loans, including loans for housing for homeless youths, to local government units authorized under Minnesota Statutes, section 462A.202, subdivision 2.

Subd. 3. Battered Women's Residences	1,000,000
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This appropriation is to acquire and better five battered women's residences, two in the seven-county metropolitan area and

three in greater Minnesota. Grants may be up to \$200,000 for each facility.

At least 25 percent of the total appropriation under this section must utilize youth-build, Minnesota Statutes, sections 268.361 to 268.367, or other youth employment and training programs to do the construction. Eligible programs must consult with appropriate labor organizations to deliver education and training. In making grants under this section, the commissioner shall use a request for proposal process.

Sec. 17. JOBS AND TRAINING

Subdivision 1. To the commissioner of jobs and training for the purposes specified in this section

2,600,000

Subd. 2. Early Childhood Learning Facilities

2,100,000

\$100,000 is from the general fund and must be used to reimburse the bond proceeds fund for any expenditures made under Laws 1992, chapter 558, section 10, that the attorney general has determined are ineligible for bond proceeds funding under that appropriation.

\$2,000,000 is for grants to state agencies and political subdivisions to construct or rehabilitate facilities for head start or other early childhood learning programs under new Minnesota Statutes, section 268.917.

Subd. 3. Truancy and Curfew Centers

500,000

This appropriation is for grants through the department's community based services division, youth programs, for two truancy and curfew centers, one in Hennepin county and one in Ramsey county.

At least 25 percent of the total appropriation under this section must utilize youth-build, Minnesota Statutes, sections 268.361 to 268.367, or other youth employment and training programs to do the construction. Eligible programs must consult with appropriate labor organizations to deliver education and training. In making grants under this section, the commissioner shall use a request for proposal process.

Sec. 18. LABOR INTERPRETIVE CENTER BOARD

750,000

To the labor interpretive center board for design of the labor interpretive center.

Sec. 19. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. To the Minnesota historical society for the purposes specified in this section

7,035,000

Subd. 2. Historic Site Preservation and Repair

1,775,000

For capital repair, reconstruction, or replacement at the Jeffers Petroglyphs, Forest History Center, Lower Sioux Agency, James J. Hill House, and of the state's other historic sites and markers. \$25,000 of this appropriation is from the general fund for fencing at Stumne mounds. The society shall determine project priorities as appropriate based on need.

Subd. 3. Historic Site Permanent Exhibit Repair and Replacement

350,000

For capital repair or replacement of exhibits at historic sites throughout the state. The society shall determine project priorities as appropriate based on need. This appropriation is not available for exhibits at the history center.

Subd. 4. County and Local Preservation Projects

500,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature. Grant recipients must be public entities and must match state funds on at least an equal basis.

Subd. 5. ISTE A Preservation Grants

950,000

To be allocated to county and local jurisdictions or the Minnesota Historical Society as matching money for federal Intermodal Surface Transportation Efficiency Act grants.

The society shall determine project priorities as appropriate based on historic preservation purposes and need.

Use of the appropriation for the projects specified is contingent upon award of federal matching money.

Subd. 6. St. Anthony Falls Heritage Zone

1,000,000

For grant-in-aid purposes of the St. Anthony Falls Heritage Board in accordance with Minnesota Statutes, section 138.763. Grants may be made for public improvements of a capital nature according to the St. Anthony Falls Heritage Board.

Subd. 7. North West Company Fur Post Interpretive Center

310,000

To be used for the drawings for the construction of a visitor center, site landscaping, and parking area in accordance with the master plan developed and approved under the Outdoor Recreation Act of 1975.

Subd. 8. Battle Point Historic Site

350,000

For construction of the Battle Point historic site, preliminary plans for which were authorized in Laws 1990, chapter 610, article 1, section 17, and Laws 1992, chapter 558, section 24, subdivision 5.

Subd. 9. Museum and Center for American Indian History

1,100,000

This appropriation is for the Minnesota historical society to plan, design, and construct a museum and center for American Indian history and policy. The facility shall be located at an institution of higher education, selected by the state university board, which serves a region including the three most populous Indian reservations. This appropriation is not available unless matched by \$1,000,000 from nonpublic sources.

Subd. 10. Sibley House

550,000

\$50,000 of this amount is from the general fund and is for state matching money for federal Intermodal Surface Transportation Efficiency Act grants to restore the Sibley House site in Mendota.

\$500,000 is to stabilize and repair buildings on the Sibley House site and to conduct an archaeological study of the property. This appropriation is available only after the Sibley House Association

has conveyed the Sibley House to the state, to be under the general administration and control of the Minnesota historical society. The Minnesota historical society may enter into a lease or management agreement with the Sibley House Association under new Minnesota Statutes, section 16A.695.

Subd. 11. St. Croix Valley Heritage Center

150,000

This appropriation is for a grant to the city of Taylors Falls to prepare a preliminary design for a heritage center, subject to new Minnesota Statutes, section 16A.695.

Sec. 20. PUBLIC SERVICE

4,000,000

To the commissioner of finance for the energy conservation investment loan program in the department of public service under Minnesota Statutes, section 216C.37.

Sec. 21. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development for the purposes specified in this section

4,900,000

Subd. 2. Contamination Cleanup Grants

1,500,000

This appropriation is for contamination cleanup grants under Minnesota Statutes, sections 116J.551 to 116J.557.

Subd. 3. Seaway Port Authority of Duluth Bulk Cargo Facility

1,200,000

This appropriation is for a grant to the seaway port authority of Duluth to develop a down-river bulk cargo handling alternative whereby the seaway port authority of Duluth will demolish an existing abandoned grain elevator facility owned by the seaway port authority of Duluth and prepare the site for the handling, storage, care, and shipment of bulk cargo or other waterborne freight.

This appropriation is not available until the seaway port authority of Duluth and the U.S. Army Corps of Engineers have advised the commissioner of trade and economic development that no further state of Minnesota money will be required for the upper harbor cross-channel dredging project authorized by Laws 1993, chapter 373, section 25, subdivision 5, the seaway port authority of Duluth has advised the commissioner that upper river

deepening will terminate at the Erie Pier site, and the commissioner of finance has canceled the unobligated balance of the 1993 appropriation to the state bond fund.

Subd. 4. Tourism and Exposition Centers

2,200,000

For two grants to political subdivisions for exhibition space for tourism and exposition centers. One grant must be for \$1,000,000 to the southwest regional development commission for the Prairieland Expo facility to develop construction planning documents for capital improvements. This grant is subject to new Minnesota Statutes, section 16A.695. It is the legislature's expectation that the commission will secure a grant from the department of transportation's intermodal surface transportation efficiency act funds. The other grant must be for capital improvements for a publicly owned tourism and exposition center selected by the commissioner and located in northeastern Minnesota.

Sec. 22. MINNESOTA TECHNOLOGY, INC.

400,000

To Minnesota Technology, Inc., for capital improvements at the natural resources research institute, Coleraine laboratory facility, to match federal grants.

Sec. 23. NATURAL RESOURCES

Subdivision 1. To the commissioner of natural resources for the purposes specified in this section

58,917,000

Subd. 2. Statewide Deferred Renewal

1,400,000

For repair and renovation of department of natural resources land, buildings, or other improvements of a capital nature throughout the state. The commissioner shall determine project priorities as appropriate based upon need.

Up to \$50,000 of this appropriation may be used for improving accessibility at facilities in the Carlos Avery wildlife management area that are being leased to the Wildlife Science Center.

Subd. 3. Underground Storage Tank Removal and Replacement

1,000,000

To remove and replace state-owned underground fuel storage tanks that are subject to related federal regulations. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 4. State Park Building Rehabilitation

2,000,000

For improvements of a capital nature to repair, rehabilitate, construct, or add to state park buildings throughout the state, according to the management plan required in Minnesota Statutes, chapter 86A. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 5. State Park Building Development

1,000,000

To construct, furnish, and equip new facilities in the state park system, according to the management plan required in Minnesota Statutes, chapter 86A. This includes shower and toilet facilities, visitor contact stations, and storage facilities. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 6. Farmland Wildlife Populations and Research Center

631,000

To renovate, rehabilitate, demolish, and construct facilities at the center and meet accessibility requirements. To upgrade the sewage system, water lines, and electrical wiring, and to provide for chemical storage.

Subd. 7. Forestry Air Tanker Facilities

368,000

To replace temporary buildings, upgrade equipment, and construct fuel and fire retardant spill containment systems at air tanker bases at Bemidji, Hibbing, and Brainerd.

\$183,000 of this appropriation is for state funding of the Bemidji site and is contingent upon commitment of \$200,000 in matching funds from the United States Bureau of Indian Affairs.

Subd. 8. Hibbing Drill Core Library and Reclamation Demonstration Facility

650,000

To expand the division of minerals drill core library facility and relocate its reclamation demonstration facility from Babbitt to Hibbing.

The minerals and drill core library shall include space that will serve as a public viewing area that will educate visitors on the geology of Minnesota.

Subd. 9. Lac qui Parle Improvements

500,000

To construct, furnish, and equip offices and a hunter contact and education center at the Lac qui Parle wildlife management area.

The commissioner shall consult with local residents when selecting a site for the facility.

Subd. 10. International Wolf Center

750,000

For improvements of a capital nature at the international wolf center in St. Louis county. This includes expansion of the facility for live wolf viewing, signage improvements, construction of storage facilities and staging areas, and parking and site improvements.

Subd. 11. State Park Betterment and Rehabilitation

1,250,000

To upgrade, repair, or rehabilitate improvements of a capital nature at state park facilities throughout the state including, but not limited to, campsite improvements, trail resurfacing, road repair and resurfacing, parking area improvements, utility system upgrades, erosion control, lakeshore stabilization, and prairie restoration. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 12. Well Sealing

500,000

To seal inactive wells on state-owned land. \$276,000 of this appropriation is from the general fund and is added to the appropriation made in Laws 1993, chapter 172, section 5, subdivision 3. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 13. Trail Rehabilitation

1,350,000

To upgrade, repair, or rehabilitate improvements of a capital nature at Willard Munger trail, Luce Line trail, Sakatah Singing Hills trail, and Northshore trail. Of this amount, \$500,000 is for the completion of the Sakatah Singing Hills trail.

\$150,000 is for the Northshore trail, and debt service on the bonds sold to finance this appropriation must be paid from the snowmobile trails account in the natural resources fund to the commissioner of finance as required by Minnesota Statutes, section 16A.643.

Subd. 14. Dam Improvements

4,100,000

For the emergency repair, reconstruction, or removal of publicly owned dams throughout the state. The commissioner shall determine project priorities as appropriate based upon need as provided in Minnesota Statutes, section 103G.511. Of this appropriation, \$600,000 is for payment to the metropolitan council for a grant to the suburban Hennepin regional park district to replace the walkway at the Coon Rapids dam.

Work on the Coon Rapids dam must be done in a manner that enhances the potential for future development of hydro-power at the site.

Up to \$40,000 of this appropriation may be used for removal of an obstruction and sediment from the Lac Qui Parle river in section 22 of Oshkosh township, Yellow Medicine county.

\$100,000 appropriated in Laws 1993, chapter 373, section 12, subdivision 3, for the repair of the Stewartville dam, may be used for the removal of the Stewartville dam and restoration of the natural river channel under Minnesota Statutes, section 103G.511, except that no local match is required for removal.

Subd. 15. Flood Hazard Mitigation Grants

2,600,000

For the flood hazard mitigation grant assistance program to local government units for capital improvements to prevent or alleviate flood damages to public lands, facilities, or capital improvements. The commissioner shall determine project priorities as appropriate based upon need as provided in Minnesota Statutes, section 103F.161. \$50,000 is for preliminary engineering for water retention projects in Renville county.

Subd. 16. Forestry Roads and Bridges

300,000

For reconstruction, resurfacing, replacement, or construction of improvements of a capital nature to state forest roads and bridges throughout the state. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 17. Forestry Recreation Facilities

500,000

For improvements of a capital nature to rehabilitate, improve, or develop forestry recreation facilities throughout the state. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 18. RIM Wildlife, Natural Area and Prairie Bank Improvements

2,000,000

For development, protection, or improvements of a capital nature to wildlife management areas, state lands, scientific and natural areas, and prairie bank areas throughout the state. Of this amount, \$1,315,000 is for wildlife management areas and other state lands, \$615,000 is for scientific and natural areas, and \$70,000 is for prairie bank areas. The commissioner shall determine project priorities as appropriate based upon need. Appropriations must be used for qualified capital expenditures.

Subd. 19. Metropolitan Council Regional Parks

10,000,000

This appropriation is for payment by the commissioner of natural resources to the metropolitan council. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.315. This appropriation must not be used for research, planning, administration, or tax equivalency payments. This appropriation may be used for the purchase of homes only if the purchases are included in the work program required by subdivision 30 and they are expressly approved by the legislative commission on Minnesota resources.

Subd. 20. Local Recreation Grants

1,400,000

For matching grants to be provided to local units of government for acquisition, development, or renovation of a capital nature of local park and recreation areas. Recipients must provide a match of at least one-half of total eligible project costs. The commissioner shall make payment to local units of government upon receiving documentation of reimbursable expenditures. The commissioner shall determine project priorities as appropriate based upon need.

Of this appropriation, \$300,000 is to provide a grant to Winona county for the purchase of the scenic vista on Hiawatha-Appleblossom Scenic Drive in Winona county. These funds must be matched on a dollar-for-dollar basis.

\$500,000 of this appropriation is for grants to units of government to acquire and better natural and scenic areas under new Minnesota Statutes, section 85.019, subdivision 4a.

Subd. 21. Trail Acquisition and Development

4,778,000

For acquisition and betterment of state trails as specified in Minnesota Statutes, section 85.015.

This appropriation includes \$378,000 for the Northshore trail. Debt service on the bonds sold to finance the Northshore trail part of this appropriation is appropriated and must be paid from the snowmobile trails account in the natural resources fund to the commissioner of finance as required by Minnesota Statutes, section 16A.643.

Of this appropriation, \$100,000 is to build a nonmotorized trail between the entrance to Lake Louise State Park and the city of LeRoy.

The commissioner shall determine all other project priorities as appropriate based on need.

Subd. 22. St. Louis River Land Acquisition

1,200,000

To acquire and preserve undeveloped

lands located along the St. Louis, Cloquet, and Whiteface rivers.

This and previous appropriations fund the first phase of a two-phase acquisition of the lands described. It is the intent of the legislature to appropriate money needed to complete the acquisition of approximately 20,000 acres of blocks of contiguous riparian lands before July 1, 1996. The appropriation in this subdivision is not available until one or more willing sellers have committed themselves to making the lands available for purchase by the state until July 1, 1997.

Subd. 23. RIM Wildlife and Natural Area Land Acquisition

4,000,000

To acquire land related to wildlife management areas, scientific and natural areas, and prairie bank easements. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 24. Water Access Acquisition and Betterment

350,000

This appropriation is for acquisition and construction of a multipurpose access on Lake Minnetonka.

Subd. 25. State Park Acquisition

2,000,000

To acquire from willing sellers private lands within park boundaries established by law. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 26. Forestry Land Acquisition

250,000

To acquire private lands within established boundaries of state forests throughout the state. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 27. Lake Superior Safe Harbors

2,200,000

To develop a new small craft harbor in Silver Bay or, if a suitable site is not available in Silver Bay, at another site determined by the commissioner in consultation with the North Shore Management Board. This appropriation is contingent on receipt of the federal matching grant.

Subd. 28. Environmental Learning Centers

11,500,000

This appropriation is to the commissioner of natural resources to plan, design, and construct facilities owned by political subdivisions at residential environmental learning centers as provided in this subdivision and new Minnesota Statutes, section 84.0875.

The appropriations in items (a) through (e) are available only when the commissioner has determined that matching money in the sum of \$17,500,000 has been committed by nonstate sources.

(a) Long Lake Conservation Center

1,200,000

This appropriation is for a grant to Aitkin county.

(b) Deep Portage Conservation Reserve

1,470,000

This appropriation is for a grant to Cass county.

(c) Wolf Ridge Environmental Learning Center

2,100,000

This appropriation is for a grant to independent school district No. 381, Lake Superior.

(d) Northwoods Audubon Center

1,080,000

This appropriation is for a grant to independent school district No. 2580, East Central.

(e) Forest Resource Center

1,650,000

This appropriation is for a grant to independent school district No. 229, Lanesboro.

If land and improvements in Fillmore county that were conveyed by the state to Southern Minnesota Forest Resource Center under Laws 1990, chapter 452, section 7, are pledged as security for a loan to assist with the completion of this project, the right of reverter retained by the state is waived in favor of the lender.

(f) Agassiz Environmental Learning Center

300,000

This appropriation is for a grant to the city of Fertile.

(g) Laurentian Environmental Learning Center

450,000

This appropriation is for a grant to independent school district No. 621, Mounds View.

(h) Prairie Woods Environmental Learning Center

250,000

This appropriation is for a grant to Kandiyohi county.

(i) Prairie Wetlands Environmental Learning Center

3,000,000

This appropriation is for a grant to the city of Fergus Falls.

Appropriations in this subdivision must be used for qualified capital expenditures.

Subd. 29. White Oak Fur Post

340,000

To the commissioner of natural resources for a grant to the city of Deer River for site improvements and construction of a campground service building and education center for the White Oak Fur Post tourism and education facility. The facility shall be owned by the city. The city may enter into a lease or management contract with a nonprofit entity under Minnesota Statutes, section 16A.695, for operation of the facilities. The rental amount need not require the lessee to pay rentals sufficient to pay debt service on the state bonds issued to acquire and better the facilities.

Subd. 30. Work Program

The commissioner of natural resources must submit a work program and semianual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by this section. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 24. POLLUTION CONTROL AGENCY

Subdivision 1. To the commissioner of the pollution control agency for the purposes specified in this section

23,401,000

Subd. 2. Combined Sewer Overflow (CSO)

20,201,000

For the state share of combined sewer overflow grants under Minnesota Statutes, section 116.162, to complete the combined sewer overflow program.

This appropriation includes \$5,890,000 for the city of Minneapolis, \$13,970,000 for the city of St. Paul, and \$216,000 for the city of South St. Paul. This is the final appropriation for these projects.

This appropriation includes \$125,000 for the city of Red Wing.

The city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

Subd. 3. Water Quality Monitoring System

200,000

To purchase and install ten permanent water quality monitoring systems to be located throughout the state at sites selected by the commissioner.

Subd. 4. Solid Waste Capital Assistance Program

3,000,000

For state grants to cities, counties, and solid waste management districts to finance capital costs related to construction of publicly owned solid waste processing facilities, including resource recovery facilities, under Minnesota Statutes, sections 115A.49 to 115A.54.

Subd. 5. Eagle Lake Bond Defeasance

Of the amounts transferred to the public facilities authority under Minnesota Statutes, section 446A.071, subdivision 8, \$154,000 shall be transferred and is appropriated to the commissioner of the pollution control agency for a grant to the city of Eagle Lake. The grant must be used to pay, redeem or defease \$154,000 principal amount of outstanding indebtedness incurred by the city to pay for an interceptor connection to the wastewater treatment plant in the city of Mankato. This grant is for payment in the last quarter of fiscal year 1995. The commissioner of finance may propose further conditions on the use and investment of

the proceeds as may be necessary to ensure that the interest on the state bonds issued to fund this appropriation is exempt from federal income taxation.

Sec. 25. PUBLIC FACILITIES AUTHORITY

13,400,000

To the public facilities authority for state matching money to federal grants to capitalize the state water pollution control revolving fund under Minnesota Statutes, section 446A.07.

Expenditure of this appropriation is limited to the minimum amount necessary to match the allotment of federal funds to Minnesota.

This appropriation must be used for qualified capital projects.

Sec. 26. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. To the board of water and soil resources for the purposes in this section

9,800,000

Subd. 2. Redwood 22 Reservoir Project

800,000

For land acquisition and permanent easements for the Redwood 22 reservoir project, contingent upon local matching money of \$266,666. These funds are not intended to be used for construction.

Subd. 3. RIM Conservation Easement Acquisition

9,000,000

This appropriation is for the purposes specified in paragraphs (a) to (c).

(a) To acquire conservation easements from landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.515.

(b) To acquire perpetual conservation easements on existing type 1, 2, and 3 wetlands, adjacent lands, and for the establishment of permanent cover on adjacent lands, in accordance with Minnesota Statutes, section 103F.516.

(c) Up to \$300,000 of this appropriation may be used to establish and restore

wetlands to provide credits for deposit in the state wetland bank established under Minnesota Statutes, section 103G.2242, subdivision 1. The board may enter into agreements with local government units and the commissioner of transportation for this purpose. An agreement with the commissioner of transportation may provide for borrowing or acquiring existing wetland credits from the wetland bank established by the commissioner. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of paragraph (b).

Subd. 4. Work Program

The board of water and soil resources must submit a work program and semiannual progress reports in the form determined by the legislative water commission and request its recommendation before spending any money appropriated by subdivisions 4 and 5. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 27. MINNESOTA ZOOLOGICAL GARDEN

Subdivision 1. To the board of the Minnesota zoological garden for purposes specified in this section

21,500,000

Subd. 2. Marine Education Center

20,500,000

To design, construct, furnish, and equip a marine education center and related visitor improvements at the zoo. This appropriation is intended to complete the project.

All of the debt service costs on the bonds sold to finance this project must be paid from dedicated receipts of the Minnesota zoological garden to the commissioner of finance as required by Minnesota Statutes, section 16A.643.

Subd. 3. Infrastructure Repair and Maintenance

1,000,000

Sec. 28. BOND SALE EXPENSES

628,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 29. Laws 1993, chapter 373, section 18, is amended to read:

Sec. 18. [BOND SALE SCHEDULE.]

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1995, no more than ~~\$457,455,000~~ \$437,000,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold, the commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 30. [BOND SALE AUTHORIZATIONS REDUCED.]

In consideration of capital improvement projects that have been completed or abandoned and their remaining appropriation balances canceled by the commissioner of finance, the bond sale authorizations in the following laws are reduced by the amounts indicated:

(a) Laws 1980, chapter 564, article VII, section 3	\$ 2,500,000
(b) Laws 1987, chapter 400, section 25	240,000
(c) Laws 1989, chapter 300, section 23	895,000
(d) Laws 1990, chapter 610, article 1, section 30	115,000
(e) Laws 1992, chapter 558, section 28	65,000
(f) Laws 1993, chapter 373, section 19	15,000
TOTAL	\$ 3,830,000

Sec. 31. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$573,385,000 in the manner, upon the terms, and with the effect

prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the governor, shall sell and issue general obligation bonds of the state in an amount up to \$45,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 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 state transportation fund.

Subd. 3. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$2,970,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 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 maximum effort school loan fund.

Sec. 32. [16A.115] [RELOCATION REQUESTS.]

An agency request for an appropriation to fund relocation of all or part of the agency must include a statement of the cost per square foot of space currently occupied by the affected part of the agency, and the anticipated cost per square foot of the space the affected part of the agency will occupy after the proposed relocation.

Sec. 33. [16A.501] [REPORT ON MATCHING MONEY.]

The commissioner of finance must report annually to the legislature on the degree to which entities receiving appropriations of bond proceeds contingent upon obtaining matching money have been successful in raising that money. The report must be submitted to the chairs of the house of representatives ways and means committee and the senate finance committee by February 1 of each year.

Sec. 34. Minnesota Statutes 1992, section 16A.641, subdivision 8, is amended to read:

Subd. 8. [APPROPRIATION OF PROCEEDS.] (a) The proceeds of bonds issued under each law are appropriated for the purposes described in the law and in this subdivision. This appropriation may never be canceled.

(b) Before the proceeds are received in the proper special fund, the commissioner may transfer to that fund from the general fund amounts not exceeding the expected proceeds. The commissioner shall return these amounts to the general fund by transferring proceeds when received. The amounts of these transfers are appropriated from the general fund and from the bond proceeds.

(c) Actual and necessary travel and subsistence expenses of employees and all other *nonsalary* expenses incidental to the sale, printing, execution, and delivery of bonds must be paid from the proceeds. The proceeds are appropriated for this purpose. *Bond proceeds must not be used to pay any part*

of the salary of a state employee involved in the sale, printing, execution, or delivery of the bonds.

(d) Bond proceeds remaining in a special fund after the purposes for which the bonds were issued are accomplished or abandoned, as certified by the head of the agency administering the special fund, or as determined by the commissioner, unless devoted under the appropriation act to another purpose designated in the act, shall be transferred to the state bond fund.

Sec. 35. [HIGHER EDUCATION DEBT SERVICE SHARE.]

Subdivision 1. [HIGHER EDUCATION BOARDS.] The state board of technical colleges, the state board for community colleges, the state university board, or their successors shall pay one-third of the debt service on state bonds sold to finance projects authorized by this act. Appropriations for higher education asset preservation and renewal are not subject to the one-third debt service requirement. After each sale of general obligation bonds, the commissioner of finance shall notify the state board of technical colleges, the state board for community colleges, the state university board, and the higher education board of the amounts for which each system is assessed of each year for the life of the bonds.

Subd. 2. [UNIVERSITY OF MINNESOTA.] The board of regents of the University of Minnesota shall pay one-third of the debt service on state bonds sold to finance projects authorized by this act. Appropriations for higher education asset preservation and renewal are not subject to the one-third debt service requirement. After each sale of general obligation bonds, the commissioner of finance shall notify the board of regents of the amounts assessed for each year for the life of the bonds.

Subd. 3. [METHOD OF PAYMENT.] The commissioner shall reduce each system's assessment each year under subdivisions 1 and 2 by one-third of the net income from investment of general obligation bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the system and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the higher education systems to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Sec. 36. [16A.695] [PROPERTY PURCHASED WITH STATE BOND PROCEEDS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "State bond financed property" means property acquired or bettered in whole or in part with the proceeds of state general obligation bonds authorized to be issued under article XI, section 5, clause (a), of the Minnesota Constitution.

(c) "Public officer or agency" means a state officer or agency, the University of Minnesota, the Minnesota historical society, and any county,

home rule charter or statutory city, school district, special purpose district, or other public entity, or any officer or employee thereof.

(d) "Fair market value" means, with respect to the sale of state bond financed property, the price that would be paid by a willing and qualified buyer to a willing and qualified seller as determined by an appraisal of the property, or the price bid by a purchaser under a public bid procedure after reasonable public notice.

Subd. 2. [LEASES AND MANAGEMENT CONTRACTS.] (a) A public officer or agency that is authorized by law to lease or enter into a management contract with respect to state bond financed property shall comply with this subdivision.

(b) The lease or management contract may be entered into for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the contracting public officer or agency, in accordance with orders of the commissioner intended to ensure the legality and tax-exempt status of bonds issued to finance the property, and with the approval of the commissioner. A lease or management contract, including any renewals that are solely at the option of the lessee, must be for a term substantially less than the useful life of the property, but may allow renewal beyond that term upon a determination by the lessor that the use continues to carry out the governmental program. A lease or management contract must be terminable by the contracting public officer or agency if the other contracting party defaults under the contract or if the governmental program is terminated or changed, and must provide for program oversight by the contracting public officer or agency. Money received by the public officer or agency under the lease or management contract that is not needed to pay and not authorized to be used to pay operating costs of the property must be paid to the commissioner in the same proportion as the state bond financing is to the total public financing for the property, deposited in the state bond fund, and used to pay or redeem or defease bonds issued to finance the property in accordance with the commissioner's order authorizing their issuance; the money paid to the commissioner is appropriated for this purpose.

(c) With the approval of the commissioner, a lease or management contract between a city and a nonprofit corporation under section 471.191, subdivision 1, need not require the lessee to pay rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to state bonds issued to acquire and better the facilities.

Subd. 3. [SALE OF PROPERTY.] A public officer or agency shall not sell any state bond financed property unless the public officer or agency determines by official action that the property is no longer usable or needed by the public officer or agency to carry out the governmental program for which it was acquired or constructed, the sale is made as authorized by law, the sale is made for fair market value, and the sale is approved by the commissioner. If any state bonds issued to purchase or better the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of sale must be applied as follows:

(1) if the state bond financed property was acquired and bettered solely with state bond proceeds, the net proceeds of sale must be paid to the commissioner, deposited in the state bond fund, and used to pay or redeem or defease

the outstanding bonds in accordance with the commissioner's order authorizing their issuance, and the proceeds are appropriated for this purpose; or

(2) if the state bond financed property was acquired or bettered partly with state bond proceeds and partly with other money, the net proceeds of sale must first be used to pay or redeem or defease the state bonds as provided in clause (1), and any excess over the amount needed for that purpose must be divided in proportion to the shares contributed to its acquisition or betterment and paid to the interested public and private entities, and the proceeds are appropriated for this purpose.

Subd. 4. [RELATION TO OTHER LAWS.] This section applies to all state bond financed property unless otherwise provided by law.

Sec. 37. [REPORTS.]

Subdivision 1. [LEASES OR MANAGEMENT CONTRACTS.] A public officer or agency that has entered into a lease or management contract with respect to state bond financed property on or after January 1, 1989, and before the effective date of this act shall file a report with the commissioner stating the purpose of the lease or contract, the name and nature of the lessee or contracting party, the terms of the lease or contract, and the use or disposition of any money received by the public officer or agency under the lease or contract.

Subd. 2. [SALES.] A public officer or agency that has sold state bond financed property on or after January 1, 1989, and before the effective date of this act shall file a report with the commissioner stating the reason for sale, the method of sale, the purchaser, the sale price, and the use or disposition of the net sale proceeds.

Sec. 38. Minnesota Statutes 1992, section 16A.85, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, and commissions and the legislature of the kinds of property identified in this subdivision that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease. The master lease may be used only to finance the following kinds of purchases:

(a) The master lease may be used to finance purchases by the commissioner of administration with money from an internal services fund.

(b) The master lease may be used to refinance a purchase of equipment already purchased under a lease-purchase agreement.

(c) The master lease may be used to finance purchases of large equipment with a capital value of more than \$100,000 and a useful life of more than ten years.

(d) The legislature may specifically authorize a particular purchase to be financed using the master lease. The legislature anticipates that this authorization will be given only to finance the purchase of major pieces of equipment with a capital value of more than \$10,000.

The commissioner of finance may authorize the sale and issuance of certificates of participation relative to a master lease in an amount sufficient

to fund these personal property needs. The term of the certificates must be less than the expected useful life of the equipment whose purchase is financed by the certificates. The commissioner of administration may use the proceeds from the master lease or the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16B. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to make master lease payments.

Sec. 39. Minnesota Statutes 1992, section 16B.24, subdivision 1, is amended to read:

Subdivision 1. [OPERATION AND MAINTENANCE OF BUILDINGS.] The commissioner is authorized to maintain and operate the state capitol building and grounds, subject to whatever standards and policies are set for its appearance and cleanliness by the capitol area architectural and planning board and the commissioner under section 15.50, subdivision 2, clause (h), and the state office building, the judicial center, the jobs and training buildings in Minneapolis and St. Paul, the state department of health building, and the surplus property building, and their grounds, and, when the commissioner considers it advisable and practicable, any other building or premises owned or rented by the state for the use of a state agency. The commissioner shall assign and reassign office space in the capitol and state buildings to make an equitable division of available space among agencies. *The commissioner shall regularly update the long-range strategic plan for locating agencies and shall follow the plan in assigning and reassigning space to agencies. The plan must include locational and urban design criteria, a cost-analysis method to be used in weighing state ownership against leasing of space in specific instances, and a transportation management plan. If the commissioner determines that a deviation from the plan is necessary or desirable in a specific instance, the commissioner shall provide the legislature with a timely written explanation of the reasons for the deviation.* The power granted in this subdivision does not apply to state hospitals or to educational, penal, correctional, or other institutions not enumerated in this subdivision the control of which is vested by law in some other agency.

Sec. 40. [16B.241] [COORDINATED FACILITY PLANNING.]

The commissioner of administration shall develop a coordinated facility planning process for offices located outside the metropolitan area for the following agencies: the departments of health, agriculture, and natural resources; the pollution control agency; and the board of water and soil resources. Any proposals for consolidation or construction of facilities for these agencies that are included in budget documents submitted to the legislature under section 16A.11 must first be considered as part of the planning process required by this section.

Sec. 41. Minnesota Statutes 1992, section 16B.305, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF REQUESTS.] The commissioner shall review agency requests for state buildings and help agencies prepare adequate plans for use in presenting their capital budget requests to the commissioner of finance, the governor, and the legislature. The commissioner shall ~~consider locational questions in siting state buildings and include answers to locational questions~~ *provide information on how a building project is consistent with the*

department's long-range strategic plan for locating state agencies in the commissioner's recommendations on a request.

Sec. 42. Minnesota Statutes 1993 Supplement, section 16B.335, is amended to read:

16B.335 [REVIEW OF PLANS AND PROJECTS.]

Subdivision 1. [CONSTRUCTION AND MAJOR REMODELING.] The commissioner, or any other ~~agency~~ *recipient* to whom an appropriation is made to acquire or better public lands or buildings or other public improvements of a capital nature, must not prepare final plans and specifications for any construction, major remodeling, or land acquisition ~~authorized by in anticipation of which the appropriation was made~~ until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house ways and means committee and the chairs have made their recommendations. "Construction or major remodeling" means construction of a new building or substantial alteration of the exterior dimensions or interior configuration of an existing building. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted. The program plans and estimates must be presented for review at least two weeks before a recommendation is needed. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation.

Subd. 2. [OTHER PROJECTS.] All other capital projects ~~except for those contained in agency operations budgets, including building improvements, small structures at experiment stations, asbestos removal, life safety, PCB removal, tuckpointing, roof repair, code compliance, landscaping, drainage, electrical and mechanical systems work, paving of streets, parking lots, and the like for which a specific appropriation is made~~ must not proceed until the *agency recipient* undertaking the project has notified the chair of the senate finance committee and the chair of the house ways and means committee that the work is ready to begin. *Notice is not required for capital projects needed to comply with the Americans with Disabilities Act or funded by an agency's operating budget or by a capital asset preservation and replacement account under section 16A.632, or a higher education capital asset preservation and renewal account under section 135A.046.*

Sec. 43. Minnesota Statutes 1993 Supplement, section 16B.335, is amended by adding a subdivision to read:

Subd. 3. [PREDESIGN REQUIREMENT.] *A recipient to whom an appropriation is made for a project subject to review under subdivision 1 or notice under subdivision 2 shall prepare a predesign package and submit it to the commissioner for review and recommendation before proceeding with design activities. The commissioner must complete the review and recommendation within ten working days after receiving it. Failure to review and recommend within the ten days is considered a positive recommendation. The predesign package must be sufficient to define the scope, cost, and schedule of the project and must demonstrate that the project has been analyzed according to appropriate space needs standards.*

Sec. 44. Minnesota Statutes 1993 Supplement, section 16B.335, is amended by adding a subdivision to read:

Subd. 4. [ENERGY CONSERVATION.] A recipient to whom a direct appropriation is made for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards contained in law, including sections 216C.19 to 216C.21, and rules adopted thereunder. The recipient may use the energy planning and intervention and energy technologies units of the department of public service to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Sec. 45. Minnesota Statutes 1993 Supplement, section 16B.335, is amended by adding a subdivision to read:

Subd. 5. [INFORMATION TECHNOLOGY.] Agency requests for construction and remodeling funds shall include money for cost-effective information technology investments that would enable an agency to reduce its need for office space, provide more of its services electronically, and decentralize its operations. The information policy office must review and approve the information technology portion of construction and major remodeling program plans before the plans are submitted to the chairs of the senate finance committee and the house of representatives ways and means committee for their recommendations as required by subdivision 1.

Sec. 46. [84.0875] [ENVIRONMENTAL LEARNING CENTERS.]

The commissioner may acquire and better, or make grants to counties, home rule charter or statutory cities, or school districts to acquire and better, residential environmental learning centers where students may learn how to use, preserve, and renew the natural resources of this state. A facility and reasonable access to it must be owned by the state or a political subdivision but may be leased to or managed by a nonprofit organization to carry out an environmental learning program established by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695.

Sec. 47. Minnesota Statutes 1992, section 85.015, subdivision 4, is amended to read:

Subd. 4. [DOUGLAS TRAIL, OLMSTED, WABASHA, AND GOODHUE COUNTIES.] (a) The trail shall originate at Rochester in Olmsted county and shall follow the route of the Chicago Great Western Railroad to Pine Island in Goodhue county and there terminate.

(b) Additional trails may be established that extend the Douglas Trail System to include Pine Island, Mazeppa in Wabasha county to Zumbrota, Goodhue, and Red Wing in Goodhue county. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

(c) The trail shall be developed primarily for riding and hiking.

(e) (d) Under no circumstances shall the commissioner acquire any of the right-of-way of the Chicago Great Western Railroad until the abandonment of the line of railway described in this subdivision has been approved by the Interstate Commerce Commission.

Sec. 48. Minnesota Statutes 1993 Supplement, section 85.019, is amended by adding a subdivision to read:

Subd. 4a. [GRANTS FOR NATURAL AND SCENIC AREAS.] The commissioner shall administer a program to provide grants to units of government for the acquisition and betterment of natural and scenic areas such as bluffslands, prairies, shorelands, wetlands, and wooded areas. A grant may not exceed 50 percent of the costs of acquisition and betterment of land acquired under this subdivision.

Sec. 49. Minnesota Statutes 1992, section 103G.005, is amended by adding a subdivision to read:

Subd. 14a. [POLITICAL SUBDIVISION.] "Political subdivision" means a county, city, town, school district, or other local government jurisdiction to which the state provides state aids or on which the state imposes state mandates.

Sec. 50. Minnesota Statutes 1992, section 103G.511, is amended to read:

103G.511 [PUBLICLY OWNED DAM REPAIR.]

Subdivision 1. [AUTHORIZATION.] The commissioner may:

- (1) repair or reconstruct state-owned dams;
- (2) make engineering evaluations related to the repair or reconstruction of dams owned by ~~local governmental units~~ *political subdivisions*; and
- (3) grant aid to ~~local governmental units~~ *political subdivisions* to repair or reconstruct dams owned by ~~local governmental units~~ *political subdivisions*.

Subd. 2. [ENGINEERING EVALUATIONS.] The engineering evaluations may include studies of the feasibility, practicality, and environmental effects of using dams for hydroelectric power generation.

Subd. 3. [FUNDING.] (a) Except as provided in this section, a grant to a ~~local government unit~~ *political subdivision* may not exceed the amount contributed to the project by the ~~local government unit~~ *political subdivision* from local funds.

(b) Federal general revenue sharing money may be counted as local funds, but other federal grants or loans must be used to reduce equally the state share and the local share of project costs.

(c) A grant to study the feasibility, practicality, and environmental effects of using a dam for hydroelectric power generation may be for an amount up to 90 percent of the costs of the study.

Subd. 4. [INVESTIGATION.] The commissioner may repair or reconstruct a state-owned dam or make a grant to a ~~local governmental unit~~ *political subdivision* only after making an investigation of the dam.

Subd. 5. [APPLICATION.] A ~~local governmental unit~~ *political subdivision* desiring a grant for the repair or reconstruction of a dam may apply for the grant on forms supplied by the commissioner.

Subd. 6. [DETERMINATION OF GRANT.] The commissioner shall consider all relevant factors in determining whether to repair or reconstruct a state-owned dam or to make a grant to a ~~local governmental unit~~ *political subdivision* including:

- (1) the age and type of construction of the dam;

(2) the use of the dam for water supply, flood control, navigation, hydroelectric power generation, recreation, wildlife management, scenic value, or other purposes related to public health, safety, and welfare;

(3) the consequences of abandonment, removal, or alteration of the dam;

(4) prospective future uses of the dam; and

(5) the relative importance of the dam to the statewide water resource program.

Subd. 7. [HEARING.] The commissioner may hold a public hearing under section 103G.311 on the proposed repair or reconstruction after giving notice. If the hearing is held at the request of a ~~local government unit~~ *political subdivision*, the costs of publishing notice and of taking and preparing the stenographic record must be paid by the ~~local government unit~~ *political subdivision*.

Subd. 8. [OPERATION AGREEMENT.] To receive a grant, the ~~local government unit~~ *political subdivision* must enter into an agreement with the commissioner giving assurance that the government unit will operate and maintain the dam in a safe condition for the benefit of the public and must agree to other conditions the commissioner considers reasonable.

Subd. 9. [LIMITATIONS.] (a) If the cost of repair or reconstruction of a state-owned dam or a grant to a ~~local government unit~~ *political subdivision* is less than \$250,000, the commissioner may direct that the state-owned dam be repaired or reconstructed or that a grant be made to repair or reconstruct a dam owned by a ~~local government unit~~ *political subdivision*.

(b) If the cost of repair or reconstruction of a state-owned claim or grant to a ~~local government unit~~ *political subdivision* is \$250,000 or more, the commissioner may recommend the project to the legislature for its consideration and action; except in an emergency under paragraph (c).

(c) The commissioner, with the approval of the commissioner of finance after consulting with the legislative advisory commission, may direct that a state-owned dam be repaired or reconstructed or a grant be made to a ~~local government unit~~ *political subdivision* if the commissioner determines that an emergency exists and:

(1) there is danger that life will be lost; or

(2) that substantial property losses will be suffered if action is not promptly taken.

Subd. 10. [LOANS FOR LOCAL SHARE OF PROJECT COSTS.] (a) If the commissioner decides to recommend a dam repair or reconstruction grant for a ~~local government unit~~ *political subdivision* to the legislature, the commissioner must notify the ~~local government unit~~ *political subdivision* and the commissioner of finance of the decision. After being notified by the commissioner of natural resources, the ~~local government unit~~ *political subdivision* may apply to the commissioner of finance on forms supplied by the commissioner of finance for a loan up to 90 percent of the local share of the project costs.

(b) The loan is repayable over a period not longer than 20 years, with interest at a rate sufficient to cover the cost to the state of borrowing the money.

(c) A ~~local government unit~~ *political subdivision* receiving a dam safety loan must levy for the loan payment in the year the loan proceeds were received and each later year, until the loan is paid. The levy must be for:

(1) the amount of the annual loan payment; or

(2) the amount of the loan payment less the amount the ~~local government unit~~ *political subdivision* certifies is available from other sources for the loan payment.

(d) Upon approval of the project grant by the legislature, the commissioner of finance shall make the loan in an amount and on terms that are appropriate. Loans made under this subdivision do not require approval by the electors of the ~~local government unit~~ *political subdivision* as provided in section 475.58.

(e) Principal and interest payments received by the commissioner of finance in repayment of these loans are appropriated to the state ~~building bond account~~ *fund*.

Subd. 11. [COMMISSIONER'S ORDER TO REPAIR OR RECONSTRUCT A DAM.] (a) If a ~~local government unit~~ *political subdivision* fails to comply with a commissioner's order to repair or remove a dam under section 103G.515, the commissioner may repair or remove the dam as provided in this subdivision.

(b) The commissioner must hold a hearing under section 103G.311 on the failure of the ~~local government unit~~ *political subdivision* to repair or remove the dam. After the hearing, the commissioner must make findings specifying the failure of the ~~local government unit~~ *political subdivision* to act and shall, by order, assume the powers of the legislative authority of the ~~local government unit~~ *political subdivision* in regard to the repair or removal of dams.

(c) After issuing the order, the commissioner has the same powers, insofar as applicable to the repair or removal of dams, as the commissioners of administration and the pollution control agency have in the construction, installation, maintenance, or operation of a municipal disposal system, or part of a system, or issuing bonds and levying taxes under section 115.48.

Subd. 12. [PRIORITY LIST OF DAMS NEEDING REPAIR.] After reviewing examinations of dams owned by the state and ~~local government units~~ *political subdivisions*, the commissioner shall prioritize the state and ~~local government unit~~ *political subdivision* dams in need of repair or reconstruction and report annually to the legislature. The commissioner must prioritize projects considering danger to life, damage to property, and the factors listed in subdivision 6.

Sec. 51. Minnesota Statutes 1992, section 103G.521, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FOR TRANSFER.] (a) Upon application by resolution of the governing body of a ~~local government unit~~ *political subdivision* authorized to maintain and operate dams or other control structures affecting public waters, the commissioner, with the approval of the executive council, may transfer to the ~~local government unit~~ *political subdivision* the custody of a dam or other control structures owned by the state and under the supervision or control of the commissioner if the commissioner determines that the transfer will promote the best interests of the public. The

transfer must be made by order of the commissioner on the terms and conditions the commissioner sets for maintenance and operation of the project.

(b) In connection with the transfer, the commissioner may convey land, easements, or other state property pertaining to the project to the transferee by deed or another appropriate instrument in the name of the state, subject to conditions and reservations prescribed by the commissioner. A duplicate of each order, conveyance, or other instrument executed by the commissioner in connection with a transfer must be filed with the commissioner of finance.

Sec. 52, Minnesota Statutes 1992, section 103G.535, is amended to read:

103G.535 [HYDROPOWER GENERATION.]

Subdivision 1. [PUBLIC PURPOSE.] The legislature finds that:

(1) the public health, safety, and welfare of the state is also promoted by the use of state waters to produce hydroelectric or hydromechanical power in a manner consistent with laws relating to dam construction, reconstruction, repair, and maintenance; and

(2) the leasing of existing dams and potential dam sites primarily for power generation is a valid public purpose.

Subd. 2. [AUTHORITY FOR LEASE OF SITES.] A ~~local government unit~~ *political subdivision*, or the commissioner with the approval of the state executive council for state-owned dams, may provide by a lease or development agreement for the development and operation of dams, dam sites, and hydroelectric or hydromechanical power generation plants by an individual, a corporation, an organization, or other legal entity on terms and conditions in subdivision 5.

Subd. 3. [INSTALLATIONS LESS THAN 15,000 KILOWATTS UNUSED ON JANUARY 1, 1984.] If an installation of 15,000 kilowatts or less at a dam site and reservoir was unused on January 1, 1984, in connection with the production of hydroelectric or hydromechanical power, the lease or development agreement negotiated by the ~~local government unit~~ *political subdivision* and the developer constitutes full payment by the lessee and may be in lieu of all real or personal property taxes that might otherwise be due to a ~~local government unit~~ *political subdivision*.

Subd. 4. [MUNICIPALITY OR TOWN APPROVAL.] If the dam, dam site, or power generation plant is located in or contiguous to a municipality or town, other than the lessor ~~local government unit~~ *political subdivision*, the lease or agreement is not effective unless it is approved by the governing body of the municipality or town.

Subd. 5. [CONTENTS OF DEVELOPMENT AGREEMENT.] (a) An agreement for the development or redevelopment of a hydropower site must contain provisions to assure the maximum financial return to the ~~local government unit~~ *political subdivision* or the commissioner.

(b) An agreement may contain:

(1) the period of the development agreement up to 99 years, subject to negotiations between the parties, and conditions for extension, modification, or termination;

(2) provisions for a performance bond on the developer or certification that the equipment and its installation have a design life at least as long as the lease; and

(3) provisions to assure adequate maintenance and safety in impoundment structures and access to recreational sites.

Sec. 53. Minnesota Statutes 1992, section 116.162, subdivision 2, is amended to read:

Subd. 2. [PROGRAM PURPOSE.] The agency shall administer a state financial assistance program to assist eligible recipients to abate combined sewer overflow to the Mississippi river from its confluence with the Rum river to its confluence with the St. Croix river easternmost boundary of the city of Red Wing.

Sec. 54. [116J.558] [EFFECT OF ISSUANCE OF GRANTS.]

The issuance of a contamination cleanup grant under sections 116J.551 to 116J.557 has no effect on the responsibility or the liability of the state, under chapter 115B or any other law, in relation to the contamination at a site or sites for which the grant is issued. The issuance of a grant neither implies any state responsibility for the contamination nor imposes any obligation on the state to participate in the cleanup of the contamination or in the cleanup costs beyond the amount of the grant.

Sec. 55. Minnesota Statutes 1993 Supplement, section 124.494, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] Any group of school districts that meets the criteria required under subdivision 2 may apply for an incentive grant in an amount not to exceed for construction of a new secondary facility or for remodeling and improving an existing secondary facility. A grant for new construction must not exceed the lesser of \$5,000,000 or 75 percent of the approved construction costs of a cooperative secondary education facility. A grant for remodeling and improving an existing facility must not exceed \$200,000.

Sec. 56. Minnesota Statutes 1993 Supplement, section 124.494, subdivision 2, is amended to read:

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of ~~three~~ two or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,200 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least 198 pupils would be served in grades 10 to 12, 264 pupils would be served in grades 9 to 12, or 396 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings, including the offering of advanced placement courses, for students than is currently available in any single member district;

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical; and

(11) the joint powers board established under clause (2) discusses with technical colleges located in the area how vocational education space in the cooperative secondary facility could be jointly used for secondary and post-secondary purposes.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

(c) For the purpose of paragraph (a), clause (8), each school district must be considered to have started school each year on the same date.

(d) The districts may develop a plan that provides for the location of social service, health, and other programs serving pupils and community residents within the cooperative secondary facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(e) The districts shall schedule and conduct a meeting on library services. The school districts, in cooperation with the regional public library system and its appropriate member libraries, shall discuss the possibility of including jointly operated library services at the cooperative secondary facility.

(f) The school board of a district that has reorganized under section 122.23 or 122.243 and that is applying for a grant for remodeling or improving an existing facility may act in the place of a joint powers board to meet the criteria of this subdivision.

Sec. 57. Minnesota Statutes 1992, section 124.494, subdivision 3, is amended to read:

Subd. 3. [DISTRICT PROCEDURES.] A joint powers board of a secondary district established under subdivision 2 or a school board of a reorganized district that intends to apply for a grant shall adopt a resolution stating the proposed costs of the project, the purpose for which the ~~debt~~ *costs* are to be incurred, and an estimate of the dates when the facilities for which the grant is requested will be contracted for and completed. Applications for the state grants must be accompanied by (a) a copy of the resolution, (b) a certificate by the clerk and treasurer of the joint powers board showing the current outstanding indebtedness of each member district, and (c) a certificate by the county auditor of each county in which a portion of the joint powers district lies showing the information in the auditor's official records that is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue of each member district, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications and necessary data must be in the form prescribed by the commissioner and the rules of the state board of education. When an application is received, the commissioner shall obtain from the commissioner of revenue, and from the public utilities commission when required, the information in their official records that is required to be used in computing the debt limit of the joint powers district under section 475.53, subdivision 4.

Sec. 58. Minnesota Statutes 1992, section 124.494, subdivision 4, is amended to read:

Subd. 4. [AWARD OF GRANTS.] (a) The commissioner shall examine and consider all applications for grants, and if any joint powers district is found not qualified, the commissioner shall promptly notify that joint powers board. On July 1 of 1989, the commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than one month.

(b) On July 1, 1992, the commissioner shall make awards to no more than two groups of districts. Notwithstanding paragraphs (a) and (c), the first grant shall be made to the group of districts consisting of independent school districts No. 240, Blue Earth; No. 225, Winnebago; No. 219, Elmore; and No. 218, Delevan, if that group has submitted an application and if the application has been approved. The second grant, if money remains, shall be made to the group of districts that make up the Grant county project, if that group has submitted an application and if that application has been approved. Applications must be filed on or before June 1, 1992, for the July 1, 1992, grant award consideration.

(c) A grant award is subject to verification by the joint powers districts district as specified in subdivision 6. A grant award for a new facility must not be made until the site of the secondary facility has been determined. A grant award to remodel or improve an existing facility must not be made until the districts have reorganized. If the total amount of the approved applications exceeds the amount that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers district the amount, if any, of the grant awarded to it.

Sec. 59. Minnesota Statutes 1993 Supplement, section 124.494, subdivision 4a, is amended to read:

Subd. 4a. [COLOCATION GRANT.] A group of districts that receives a grant *for a new facility* under subdivision 4 is also eligible to receive an additional grant in the amount of \$1,000,000. To receive the additional grant, the group of districts must develop a plan under subdivision 2, paragraph (d), that provides for the location of a significant number of noneducational student and community service programs within the cooperative secondary facility.

Sec. 60. Minnesota Statutes 1992, section 124.494, subdivision 5, is amended to read:

Subd. 5. [REFERENDUM; BOND ISSUE.] Within 180 days after being awarded a grant *for a new facility* under subdivision 4, the joint powers board shall submit the question of authorizing the borrowing of funds for the secondary facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to accept the grant and to issue the bonds on public sale in accordance with chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education. If the question is approved by the voters, the commissioner shall notify the approved applicant districts that the grant amount certified under subdivision 4 is available and appropriated for payment under this subdivision. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Sec. 61. Minnesota Statutes 1992, section 124.494, subdivision 6, is amended to read:

Subd. 6. [CONTRACT.] Each grant must be evidenced by a contract between the ~~joint powers~~ board and the state acting through the commissioner. The contract obligates the state to pay to the ~~joint powers~~ board an amount computed according to subdivision 4, and according to a schedule, and terms and conditions acceptable to the commissioner of finance.

Sec. 62. [124C.498] [METROPOLITAN MAGNET SCHOOL GRANTS.]

Subdivision 1. [POLICY AND PURPOSE.] A metropolitan magnet school grant program is established for the purpose of promoting integrated education for students in prekindergarten through grade 12, increase mutual understanding among all students, and address the inability of local school districts to provide required construction funds through local property taxes. The program seeks to encourage school districts located in whole or in part within the seven county metropolitan area to make available to school age children residing in the metropolitan area those educational programs, services, and facilities that are essential to meeting all children's needs and abilities. The program anticipates using the credit of the state, to a limited degree; to provide grants to metropolitan area school districts to improve the educational opportunities and academic achievement of disadvantaged children and the facilities that are available to those children.

Subd. 2. [APPROVAL AUTHORITY; APPLICATION FORMS.] To the extent money is available, the commissioner of education, may approve

projects from applications submitted under this section. The grant money must be used only to acquire, construct, remodel, or improve the building or site of a magnet school facility according to contracts entered into within 15 months after the date on which a grant is awarded.

Subd. 3. [GRANT APPLICATION PROCESS.] (a) Any group of school districts that meets the criteria required under paragraph (b)(i) may apply for a magnet school grant in an amount not to exceed \$10,000,000 for the approved construction costs of a magnet school facility.

(b)(i) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed magnet school facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel, or improve the facility. The commissioner must not approve an application for a magnet school grant for any facility unless the facility receives a favorable review and comment under section 121.15 and the participating districts:

(1) establish a joint powers board under section 471.59 to represent all participating districts and govern the magnet school facility;

(2) design the planned magnet school facility to meet the applicable requirements contained in Minnesota Rules, chapter 3535;

(3) submit a statement of need, including reasons why the magnet school will facilitate integration and improve learning;

(4) prepare an educational plan, that includes input from both community and professional staff; and

(5) develop an education program that will improve learning opportunities for students attending the magnet school.

(ii) The districts may develop a plan that permits social service, health, and other programs serving students and community residents to be located within the magnet school facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(c) When two or more districts enter into an agreement establishing a joint powers board to govern the magnet school facility, all member districts shall have the same powers.

(d) A joint powers board of participating school districts established under paragraphs (b) and (c) that intends to apply for a grant shall adopt a resolution stating the costs of the proposed project, the purpose for which the debt is to be incurred, and an estimate of the dates when the contracts for the proposed project will be completed. A copy of the resolution must accompany any application for a state grant under this section.

(e)(i) The commissioner shall examine and consider all grant applications. If the commissioner finds that any joint powers district is not a qualified grant applicant, the commissioner shall promptly notify that joint powers board. The commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than 30 days.

(ii) A grant award is subject to verification by the joint powers board under paragraph (f). A grant award must not be made until the participating districts

determine the site of the magnet school facility. If the total amount of the approved applications exceeds the amount of grant funding that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers board the amount, if any, of the grant awarded to it.

(f) Each grant must be evidenced by a contract between the joint powers board and the state acting through the commissioner. The contract obligates the state to pay to the joint powers board an amount computed according to paragraph (e)(ii) and a schedule, and terms and conditions acceptable to the commissioner of finance.

Sec. 63. [134.45] [LIBRARY ACCESSIBILITY GRANTS.]

Subdivision 1. [APPLICATION; DEFINITION.] Public library jurisdictions may apply to the commissioner of education for grants to improve accessibility to their library facilities. For the purposes of this section, "public library jurisdictions" means regional public library systems, regional library districts, cities, and counties operating libraries under chapter 134.

Subd. 2. [APPROVAL BY COMMISSIONER.] The commissioner of education, in consultation with the state council on disability, may approve or disapprove applications under this section. The grant money must be used only to remove architectural barriers from a building or site.

Subd. 3. [APPLICATION FORMS.] The commissioner of education shall prepare application forms and establish application dates.

Subd. 4. [MATCH.] A public library jurisdiction applying for a grant under this section must match the grant with local funds.

Subd. 5. [QUALIFICATION.] A public library jurisdiction may apply for a grant in an amount up to 50 percent of the approved costs of removing architectural barriers from a building or site.

Subd. 6. [AWARD OF GRANTS.] The commissioner, in consultation with the state council on disability, shall examine and consider all applications for grants. If a public library jurisdiction is found not qualified, the commissioner shall promptly notify it. The commissioner shall prioritize grants on the following bases: the public library jurisdiction's tax burden, the long-term feasibility of the project, the suitability of the project, and the need for the project. If the total amount of the applications exceeds the amount that is or can be made available, the commissioner shall award grants according to the commissioner's judgment and discretion and based upon a ranking of the projects according to the factors listed in this subdivision. The commissioner shall promptly certify to each public library jurisdiction the amount, if any, of the grant awarded to it.

Subd. 7. [PROJECT BUDGET.] A public library jurisdiction that receives a grant must provide the commissioner with the project budget and any other information the commissioner requests.

Sec. 64. [135A.045] [POST-SECONDARY SYSTEMS.]

Each post-secondary governing board shall report on any petroleum tank release cleanup account reimbursements as part of each biennial budget request. The board shall specify its costs in relation to any tank removal, replacement, and cleanup and shall identify all petroleum tank release

cleanup account reimbursements it received or assigned and the specific activity for which the reimbursement or assignment was made. The board must place all reimbursements it receives into its capital repair and betterment account.

Sec. 65. [135A.046] [HIGHER EDUCATION ASSET PRESERVATION AND RENEWAL.]

Subdivision 1. [PURPOSE.] The legislature recognizes that post-secondary governing boards operate campus physical plants that in number, size, and programmatic use differ significantly from the physical plants operated by state departments and agencies. However, the legislature recognizes the need for standards to aid in categorizing and funding capital projects. The purpose of this section is to provide standards for those higher education projects that are intended to preserve and replace existing campus facilities.

Subd. 2. [STANDARDS.] Capital budget expenditures for Higher Education Asset Preservation and Renewal (HEAPR) projects must be for one or more of the following: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renewal to support the existing programmatic mission of the campuses.

Subd. 3. [REPORTING PRIORITIES.] Each post-secondary governing board shall establish priorities within its HEAPR projects. By December 31 of each year, it shall submit a list of those priorities for which capital bonding appropriations will be sought in the next legislative session, as well as a list of the projects that have received bond proceeds during that calendar year to the chairs of the higher education finance divisions, the senate finance committee, and the house of representatives capital investment committee.

Sec. 66. Minnesota Statutes 1992, section 135A.06, subdivision 4, is amended to read:

Subd. 4. [CAPITAL REQUESTS.] A capital budget request submitted by a system must specifically relate a proposed capital project to the plans required under this section.

In its planning for new program offerings at a particular campus, each public post-secondary governing board shall consider the availability of physical space and the adequacy of facilities at that campus. If the board determines that new space or facilities are required, it shall examine the feasibility of developing the program at a different campus within its system or in cooperation with other systems and the higher education board. In planning for new library facilities, each public post-secondary governing board shall consider whether on-campus student study space needs can be more efficiently accommodated within existing facilities.

Sec. 67. Minnesota Statutes 1993 Supplement, section 136.261, subdivision 1, is amended to read:

Subdivision 1. [PURCHASE OF NEIGHBORING PROPERTY.] The state university board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. Before taking action, the board shall consult with the chairs of the senate finance committee and the house ways and means committee about the proposed action. The board shall explain the need to acquire property, specify the property to be

acquired, and indicate the source and amount of money needed for the acquisition. *The amount needed may be spent from sums previously appropriated for purposes of the state universities, including but not limited to general fund appropriations for instructional or noninstructional expenditures, general fund appropriations carried forward, or university activity fund appropriations.*

Sec. 68. Minnesota Statutes 1992, section 136.651, is amended to read:

136.651 [SURPLUS COMMUNITY COLLEGE LAND.]

At the request of the state board for community colleges, the commissioner of administration shall transfer and convey, or lease for a term of years, state land under the control of but no longer needed by a community college to the city where the community college is located. The land must be used by the city for student housing. The conveyance must be made for no monetary consideration, and by quitclaim deed in a form approved by the attorney general. The deed must provide that the land reverts to the state if it is no longer used for student housing unless the owner of improvements on the land agrees before the reversion to pay the state the value of the unimproved land *as determined by the commissioner before the improvements were made. The commissioner shall inflate the value of the unimproved land by three percent compounded annually for each year of ownership after the improvements were made.* For purposes of determining the value, the commissioner shall designate two or more of the regularly appointed and qualified state appraisers to determine the value of the land.

Sec. 69. [LIBRARY PLANNING TASK FORCE.]

Subdivision 1. [TASK FORCE MEMBERSHIP.] An 18-member planning task force for library and information services shall be established and shall be composed of: three representatives appointed by the chancellor of the higher education board, one of whom may be serving on the MINITEX advisory committee; two representatives appointed by the president of the University of Minnesota, one of whom may be serving on the MINITEX advisory committee; one representative appointed by the president of the Minnesota private college council; the director of MINITEX; one representative appointed by the commissioner of finance; one representative appointed by the executive director of the Minnesota higher education coordinating board; the director of the office of library development and services; five representatives of public libraries appointed by the director of library development and services; two representatives of elementary and secondary schools appointed by the commissioner of education; and one representative appointed by the governor. The executive director of the Minnesota higher education coordinating board shall confer with the other appointing authorities to ensure that at least one-half of the task force members are employed in occupations unrelated to library science. The executive director of the Minnesota higher education coordinating board shall convene the first meeting of the task force.

Subd. 2. [PLAN REVIEW.] The task force may review plans for proposed library projects, not including projects which have construction money available before January 1, 1995, to ensure that they:

(1) provide statewide access to and are integrated with library, information and archival services and networks;

(2) promote coordinated exchange of information among Minnesota's post-secondary systems, public libraries, and school libraries;

(3) include the use of appropriate technologies for current and future storage of electronic library information;

(4) coordinate use of electronic storage and transmission in providing library and information services;

(5) collaborate with multitype and regional public library systems established in Minnesota Statutes, sections 134.20 and 134.351; and

(6) maximize current library funding sources and identify additional sources.

Proposed library projects may be considered for an appropriation after task force review. The task force shall report on its review of library projects to the legislature by December 15 each year.

The task force shall expire on June 30, 1999.

Sec. 70. Minnesota Statutes 1992, section 167.51, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT; APPROPRIATION.] The commissioner of finance shall maintain in the state bond fund a separate account which shall be designated the Minnesota trunk highway bond account. On the first day of ~~November~~ December of each year there shall be transferred from the trunk highway fund to the Minnesota trunk highway bond account a sum sufficient, with all money previously transferred to such account, and all income from the investment of such money, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on Minnesota trunk highway bonds. There is annually appropriated from the trunk highway fund a sum of money sufficient to carry out the provisions of this subdivision.

Sec. 71. [216C.41] [HYDROPOWER PRODUCTION INCENTIVE.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, a "qualified hydroelectric facility" or "facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) begins generating electricity after July 1, 1994.

Subd. 2. [INCENTIVE PAYMENT.] *Incentive payments shall be made according to this section to the owner or operator of a qualified hydropower facility for electric energy generated and sold by the facility. Payment may only be made upon receipt by the commissioner of finance of an incentive payment application that establishes that the applicant is eligible to receive an incentive payment and that satisfies other requirements the commissioner deems necessary. The application shall be in a form and submitted at a time the commissioner establishes. There is annually appropriated from the general fund sums sufficient to make the payments required under this section.*

Subd. 3. [ELIGIBILITY WINDOW.] *Payments may be made under this section only for electricity generated from a qualified hydroelectric facility that is operational and generating electricity before January 1, 2001.*

Subd. 4. [PAYMENT PERIOD.] A facility may receive payments under this section for a ten-year period. No payment under this section may be made for electricity generated after December 31, 2010. The payment period begins and runs consecutively from the first year in which electricity generated from the facility is eligible for incentive payment.

Subd. 5. [AMOUNT OF PAYMENT.] An incentive payment is based on the number of kilowatt hours of electricity generated. The amount of the payment is 1.5 cents per kilowatt hour.

Sec. 72. [TEACHER TRAINING INSTITUTE; CITY OF ST. PAUL.]

The city of St. Paul may establish and maintain a teacher training institute and related activities that provides new models for professional development for teachers. The city may exercise the powers granted in Minnesota Statutes, section 471.191, to acquire and better facilities for the institute. Facilities that have been acquired or bettered in whole or in part with the proceeds of state bonds must be owned by the city but may be leased or managed by a nonprofit organization to carry out the purposes of the institute program established by the city. The lease or management agreement must comply with the requirements of new Minnesota Statutes, section 16A.695.

Sec. 73. [268.917] [EARLY CHILDHOOD LEARNING FACILITIES.]

The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for head start, early childhood and family education facilities, other early childhood intervention programs, or demonstration family service centers housing multiagency collaboratives, with priority to centers in counties or municipalities with the highest number of children living in poverty. The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner shall prescribe the terms and conditions of the leases. A grant for an individual facility must not exceed \$200,000. The commissioner shall give priority to grants that involve collaboration among sponsors of early childhood learning programs. At least 25 percent of the amounts appropriated for these grants must be used in conjunction with the youth employment and training programs operated by the commissioner. Eligible programs must consult with appropriate labor organizations to deliver education and training.

Sec. 74. [462.3911] [PRAIRIELAND EXPO.]

The southwest regional development commission is authorized to establish, construct, and operate a facility to display, preserve, and interpret historical information and to enhance the tourism potential of the region. The commission may enter into a lease or management contract with another entity for operation of the facility.

Sec. 75. Minnesota Statutes 1992, section 471.191, subdivision 1, is amended to read:

Subdivision 1. Any city operating a program of public recreation and playgrounds pursuant to sections 471.15 to 471.19 may acquire or lease, equip, and maintain land, buildings, and other recreational facilities, including, but without limitation, outdoor or indoor swimming pools, skating rinks and arenas, athletic fields, golf courses, marinas, concert halls, museums, and facilities for other kinds of athletic or cultural participation, contests, and exhibitions, together with related automobile parking facilities as defined in

section 459.14, and may expend funds for the operation of such program and borrow and expend funds for capital costs thereof pursuant to the provisions of this section. Any facilities to be operated by a nonprofit corporation, as contemplated in section 471.16, may be leased to the corporation upon such rentals and for such term, not exceeding 30 years, and subject to such other provisions as may be agreed; including but not limited to provisions (a) permitting the lessee, subject to whatever conditions are stated, to provide for the construction and equipment of the facilities by any means available to it and in the manner determined by it, without advertisement for bids as required for other municipal facilities, and (b) granting the lessee the option to renew the lease upon such conditions and rentals, or to purchase the facilities at such price, as may be agreed; provided that (c) any such lease shall require the lessee to pay net rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to all city bonds issued for the acquisition or betterment of the facilities, less such amount of taxes and special assessments, if any, as may become payable in any year of the term of the lease, on the land, building, or other facilities leased, and (d) no option shall be granted to purchase the facilities at any time at a price less than the amount required to pay all principal and interest to become due on such bonds to the earliest date or dates on which they may be paid and redeemed; and all redemption premiums and other expenses of such payment and redemption.

Sec. 76. [PROGRAM FUNDING.]

Recipients of grants from money appropriated in this act must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility.

Sec. 77. [RENT STUDY.]

The commissioner of administration must report on rent billing to state agencies for the use of state facilities. The report must include:

- (1) the amount of rent billed;*
- (2) a description of the way rent amounts are determined;*
- (3) an explanation of the disposition of rent proceeds;*
- (4) recommendations on ways that state agency rent billings can be used to fund capital asset preservation and repair needs in state facilities, replacing the program established in Minnesota Statutes, section 16A.632; and*
- (5) other information which the commissioner deems relevant.*

The report must be submitted to the legislature by January 31, 1995.

Sec. 78. [AGENCY LOCATION STUDY.]

To enable the legislature to assess the administration's assertion that public agencies need to be located in close proximity to the state capitol, the commissioner of administration shall study the feasibility of developing a public agency corridor in St. Paul. The study shall include the area that runs from 194 south to east 7th place between Cedar and Jackson streets. The study shall include a comparison of the building costs and building restrictions in the designated area as compared to the immediate capitol area. In addition the study shall evaluate the issues of public and employee locational preferences, access to locations by the public using various forms of transportation, parking availability, interagency convenience in communica-

tions and the general overall impact the development would have on the city of St. Paul. The study shall be completed and a report made to the legislature by December 15, 1994.

Sec. 79. [SECURE JUVENILE DETENTION FACILITY CONSTRUCTION GRANTS.]

Subdivision 1. [GRANTS AUTHORIZED.] The commissioner of corrections shall make grants to Hennepin county, Ramsey county, or groups of counties, excluding counties in the joint powers board operating the northwestern Minnesota juvenile training center for grants made in 1994 or 1995, for up to 75 percent of the construction cost of secure juvenile detention and treatment facilities. The commissioner shall ensure that grants are distributed so that facilities are available for both male and female juveniles, and that the needs of very young offenders can be met. The commissioner shall also require that programming in the facilities be culturally specific and sensitive. To the extent possible, grants should be made for facilities or living units of 15 beds or fewer. No more than one grant shall be made in each judicial district. Grant proposals may include more than one site.

Subd. 2. [APPLICATIONS.] Applications for grants shall be submitted to the commissioner using forms and instructions which the commissioner shall provide. The commissioner must notify counties, excluding counties in the joint powers board operating the northwestern Minnesota juvenile training center for grants made in 1994 or 1995, of the amount available for grants under this section for the counties in their judicial district. Applications can be submitted by Hennepin county, Ramsey county, or by a group of counties, excluding counties in the joint powers board operating the northwestern Minnesota juvenile training center for grants made in 1994 or 1995. The application must indicate that all counties in the judicial district have been consulted in the development of the proposal for the facility. If a county bordering a judicial district requests to join with counties in the adjoining judicial district, the commissioner may allow the county to cooperate in the grant application with the counties in the adjoining district. If the commissioner allows this, the commissioner shall reallocate the grant money attributable to that county to the judicial district with which the county will be cooperating.

Subd. 3. [ELIGIBILITY.] Applicants must include a cooperative plan for the secure detention and treatment of juveniles among the applicant counties. The cooperative plan must identify the location of facilities. Facilities must be located within 15 miles of a permanent chambers within the judicial district, as specified in section 2.722, or at the site of an existing county home facility, as authorized in section 260.094, or at the site of an existing detention home, as authorized in section 260.101.

Subd. 4. [ALLOCATION FORMULA.] (a) The commissioner must determine the amount available for grants for counties in each judicial district under this subdivision.

(b) Five percent of the money appropriated for these grants shall be allocated for the counties in each judicial district for a mileage distribution allowance in proportion to the percent each county's surface area comprises of the total surface area of the state. Ninety-five percent of the money appropriated for these grants shall be allocated for the counties in each judicial district using the formula in section 401.10.

(c) *The amount allocated for all counties within a judicial district shall be totaled to determine the amount available for a grant within that judicial district. Amounts attributable to a county which the commissioner has authorized to cooperate in a grant with a county or counties in an adjacent judicial district shall be reallocated to that judicial district.*

Subd. 5. [AWARD OF GRANT.] *The commissioner shall determine the amount of the grant for each applicant. Prior to determining the amount of the grant, the commissioner must determine that a facility of the size proposed is needed in the proposed service area, and that the proposed facility meets the minimum standards and requirements established by the commissioner under section 241.0221, subdivision 4, paragraph (a). The commissioner may reduce the amount of the grant below the amount requested by the applicant if the commissioner determines that the facility could be constructed at lesser cost, or that a smaller facility is warranted. Grants shall be for up to 75 percent of the cost of the facility, but not to exceed the amount allocated for the counties in the judicial district under subdivision 4. The grant may only be used for capital expenditures to acquire, design, construct, renovate, equip, and furnish a secure juvenile detention and treatment facility.*

Subd. 6. [AGREEMENT.] *Counties receiving grants must agree to provide the money needed to finance the nonstate share of the cost of construction of the facility, and if the grant is to a group of counties, the counties must specify how this cost is allocated among the counties in the group. In Hennepin and Ramsey counties, no more than 50 percent of this amount may be used for short-term preadjudication secure beds, and each facility shall have secure long-term postadjudication beds but may have no more than 15 secure long-term postadjudication beds. Counties receiving grants must also agree that the county or group of counties will operate the facility according to the minimum standards and requirements established by the commissioner under section 241.0221, subdivision 4, paragraph (a). Counties and groups of counties receiving grants must also agree to make beds available to all other counties in the judicial district. All costs of operation of the facility must be paid by the county or counties receiving the grants, except that costs for juveniles placed in the facility may be billed to their county of residence by agreement among the counties or by law.*

Subd. 7. [BONDS FOR LOCAL SHARE.] *Counties receiving a grant under this section may issue general obligation bonds under chapter 475 without an election to finance the nonstate share of the cost of the facility, and the indebtedness will not be included in the net debt limit of the county. Groups of counties receiving a grant may issue these bonds individually, or may agree that the bonds will be issued by a single county, with the full faith, credit, and taxing power of each of the counties in the group pledged for the repayment of the obligations.*

Subd. 8. [REALLOCATION OF UNUSED GRANT MONEY.] *On December 31, 1995, the commissioner shall determine whether any money remains of the appropriations made in 1994 for the purposes of this section. If any money remains that has not been granted to counties, the commissioner shall invite counties to submit applications for capital improvements to acquire or better publicly owned secure juvenile detention facilities. The commissioner shall consider the needs of applicants for improvements at the facilities and shall make grants to counties whose needs, in the commissioner's judgment, are greatest.*

Sec. 80. [PROGRAM FUNDING.]

A private nonprofit organization that leases or manages a facility acquired or bettered with grant money appropriated in this act must demonstrate to the commissioner of the agency making the grant that the organization has the ability and a plan to fund the program intended for the facility.

Sec. 81. [MUSEUMS IN ST. PAUL.]

The city of St. Paul may establish and maintain one or more museums for purposes of public education and enlightenment, including but not limited to a museum of natural science and technology and a museum for children. The city may exercise the powers granted in Minnesota Statutes, section 471.191, to acquire and better facilities for a museum. Museum facilities that have been acquired or bettered in whole or in part with the proceeds of state bonds must be owned by the city but may be leased to or managed by a nonprofit organization to carry out the purposes of the museum program established by the city. The lease or management agreement must comply with the requirements of new Minnesota Statutes, section 16A.695.

Sec. 82. [GUIDELINES FOR CAPITAL PROJECT GRANTS.]

The commissioner of finance shall develop budget guidelines for capital improvement projects that involve grants to political subdivisions to acquire and better facilities to be used for educational or cultural purposes. The commissioner shall give particular attention to projects where the facilities will be leased to or managed by a nonprofit organization. The commissioner shall review budget guidelines and processes used by other states to evaluate and prioritize projects of this kind. The commissioner shall consider for inclusion in the guidelines a method of measuring the fiscal capacity and fiscal effort of nonprofit organizations and the political subdivisions to whom the grants are proposed to be paid. The commissioner shall report proposed guidelines to the legislature by November 15, 1994.

Sec. 83. [EFFECTIVE DATE.]

This act is effective the day after its final enactment, except that section 71 is effective July 1, 1994, and applies to electricity produced on and after that date.

Section 68 applies to land improved after July 1, 1994."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; requiring payment for debt service; reducing certain earlier project authorizations and appropriations; establishing a library planning task force; providing for appointments; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.641, subdivision 8; 16A.85, subdivision 1; 16B.24, subdivision 1; 16B.305, subdivision 2; 85.015, subdivision 4; 103G.005, by adding a subdivision; 103G.511; 103G.521, subdivision 1; 103G.535; 116.162, subdivision 2; 124.494, subdivisions 3, 4, 5, and 6; 135A.06, subdivision 4; 136.651; 167.51, subdivision 1; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; 85.019, by adding a subdivision; 124.494, subdivisions 1, 2, and 4a; and 136.261, subdivision 1; Laws 1993, chapter 373,

section 18; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 116J; 124C; 134; 135A; 216C; 268; and 462."

The motion prevailed. So the amendment was adopted.

H.F. No. 218 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 62 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Knutson	Mondale	Robertson
Beckman	Finn	Kroening	Murphy	Sams
Belanger	Flynn	Laidig	Neuville	Samuelson
Benson, D.D.	Frederickson	Langseth	Novak	Solon
Benson, J.E.	Hanson	Larson	Oliver	Spear
Berg	Hottinger	Lesewski	Pappas	Stevens
Berghin	Janezich	Lessard	Pariseau	Stumpf
Bertram	Johnson, D.E.	Luther	Piper	Terwilliger
Betzold	Johnson, D.J.	Marty	Pogemiller	Vickerman
Chandler	Johnson, J.B.	McGowan	Price	Wiener
Chmielewski	Johnston	Merriam	Ranum	
Cohen	Kelly	Metzen	Reichgott Junge	
Day	Kiscaden	Moe, R.D.	Riveness	

Ms. Runbeck voted in the negative.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2591 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2591: A bill for an act relating to utilities; eliminating duplicate reporting relating to energy demand forecasting information by public utilities; authorizing low-income rates in certain circumstances; establishing a pilot program; amending Minnesota Statutes 1992, sections 116C.57, subdivision 3; 216B.16, by adding a subdivision; 216B.241, subdivision 1a; and 216C.17, subdivision 2; Minnesota Statutes 1993 Supplement, sections 216B.2422, by adding a subdivision; and 216C.17, subdivision 3; repealing Minnesota Statutes 1993 Supplement, section 116C.54.

Ms. Lesewski moved that the amendment made to H.F. No. 2591 by the Committee on Rules and Administration in the report adopted April 7, 1994, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken:

H.F. No. 2591 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Benson, J.E.	Betzold	Day	Frederickson
Beckman	Berg	Chandler	Dille	Hanson
Belanger	Berghin	Chmielewski	Finn	Hottinger
Benson, D.D.	Bertram	Cohen	Flynn	Janezich

Johnson, D.E.	Langseth	Mondale	Price	Spear
Johnson, D.J.	Larson	Murphy	Ranum	Stevens
Johnson, J.B.	Lesewski	Neuville	Reichgott Junge	Stumpf
Johnston	Lessard	Novak	Riveness	Terwilliger
Kelly	Luther	Oliver	Robertson	Vickerman
Kiscaden	Marty	Pappas	Runbeck	Wiener
Knutson	McGowan	Pariseau	Sams	
Kroening	Merriam	Piper	Samuelson	
Laidig	Moe, R.D.	Pogemiller	Solon	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1512 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1512

A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting town elections to be held in November; making uniform certain local government procedures; providing for the identification of judicial offices; authorizing special elections to be conducted by mail ballot; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 204B.14, subdivision 8; 204B.36, subdivision 4; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 206.90, subdivision 6; 365.51, subdivisions 1 and 3; and 367.03; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 410.21.

May 6, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1512, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1512 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 103C.305, subdivision 2, is amended to read:

Subd. 2. ~~[NOMINATING PETITION FILING FOR OFFICE; AFFIDAVIT OF CANDIDACY.]~~ (a) ~~The district secretary shall immediately submit the names of the candidates and the terms for which each candidate is nominated to the county auditor.~~

(b) ~~Nominating petitions conforming to section 103C.301, subdivision 1, shall be filed with the secretary of the district at least 60 days before the general election. A candidate for the office of supervisor shall file an affidavit~~

of candidacy with the county auditor of the county in which the district office is located during the period provided for filing affidavits of candidacy for county offices in section 204B.09, subdivision 1. The county auditor accepting affidavits of candidacy shall forward copies of all affidavits filed by candidates for supervisor to the auditor of any other county in which the office is voted on.

Sec. 2. Minnesota Statutes 1992, section 123.33, subdivision 1, is amended to read:

Subdivision 1. The care, management, and control of independent districts shall be vested in a board of directors, to be known as the school board. The term of office of a member shall be ~~three~~ *four* years and until a successor qualifies. The membership of the school board shall consist of six elected directors together with such ex officio member as may be provided by law. But the board may submit to the electors at any school election the question whether the board shall consist of seven members and if a majority of those voting on the proposition favor a seven-member board, a seventh member shall be elected at the next election of directors for a ~~three-year~~ *four-year* term and thereafter the board shall consist of seven members.

Those districts with a seven-member board may submit to the electors at any school election at least 150 days before the next election of three members of the board the question whether the board shall consist of six members. If a majority of those voting on the proposition favor a six-member board instead of a seven-member board, two members instead of three members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

Sec. 3. Minnesota Statutes 1992, section 205.02, subdivision 2, is amended to read:

Subd. 2. [CITY ELECTIONS.] In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as provided in this chapter, except that this section and sections 205.065, subdivisions 2 4 to 7; 205.07 ~~to~~, *subdivision 3*; 205.10; 205.121; and ~~205.175 and 205.185~~ *205.17*, *subdivisions 2 and 3*, do not apply to a city whose charter provides the manner of holding its primary, general or special elections.

Sec. 4. Minnesota Statutes 1992, section 205.065, subdivision 1, is amended to read:

Subdivision 1. [CITIES OF FIRST CLASS ESTABLISHING PRIMARY.] A municipal primary for the purpose of nominating elective officers may be held in any city of the first class on the ~~second or third~~ *first* Tuesday after the ~~second Monday in March~~ *September* of any year in which a municipal general election is to be held for the purpose of electing officers.

If the majority of the governing body of a city of the first class adopted a resolution after June 24, 1957, establishing the second or third Tuesday in March for holding its municipal primary in any year in which its municipal general election is held, and if the city clerk or other officer of the city charged with keeping the minutes and records of the governing body filed a certified copy of the resolution with the secretary of state and another certified copy of the resolution with the county recorder of the county in which the city is located, the time established by the resolution for holding the municipal

primary is fixed, and the governing body of the city may not change the time unless the authority to make the change is conferred on the governing body by the legislature, or by an amendment to the charter of the city duly ratified and accepted by the eligible voters of the city, in accordance with the constitution of the state of Minnesota and other applicable law.

Sec. 5. Minnesota Statutes 1992, section 205.065, subdivision 2, is amended to read:

Subd. 2. [RESOLUTION OR ORDINANCE.] The governing body of a city of the second, third, or fourth class or a town containing a statutory city may, by ordinance or resolution adopted at least three months before the next municipal general election, elect to choose nominees for municipal offices by a primary as provided in subdivisions 2 to 7 *this section*. The resolution or ordinance, when adopted, is effective for all ensuing municipal elections until it is revoked. ~~Subdivisions 2 to 7 do not apply to a city the charter of which specifically prohibits or provides for a municipal primary. The municipal clerk shall notify the secretary of state and the county auditor within 30 days after the adoption of the resolution or ordinance.~~

Sec. 6. Minnesota Statutes 1992, section 205.07, subdivision 1, is amended to read:

Subdivision 1. [DATE CITY ELECTIONS.] The municipal general election in each statutory city shall be held on the first Tuesday after the first Monday in November in every even-numbered year. Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the governing body of a statutory city may, by ordinance passed at a regular meeting held before ~~September~~ June 1 of any year, elect to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. ~~A city which was a village on January 1, 1974 and before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section.~~ When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made.

Sec. 7. [205.075] [TOWN GENERAL ELECTION.]

Subdivision 1. [DATE OF ELECTION.] The general election in a town must be held on the second Tuesday in March, except as provided in subdivision 2.

Subd. 2. [ALTERNATE DATE; METROPOLITAN TOWNS.] The governing body of a town located in the metropolitan area as defined by section 473.121 may, by resolution or ordinance, designate the first Tuesday after the first Monday in November of either the even-numbered or the odd-numbered year as the date of the town general election. Town supervisors elected at a November town general election shall serve four-year terms.

The ordinance or resolution changing the date of the town general election must include a plan to shorten or lengthen the terms of office to provide an orderly transition to the November election schedule.

The ordinance or resolution changing the date of the town general election is effective upon an affirmative vote of the voters of the town at the next town general election.

Sec. 8. Minnesota Statutes 1992, section 205.10, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections may be held in a ~~statutory or home rule charter~~ city or town on a question on which the voters are authorized by law or charter to pass judgment. A special election may be ordered by the governing body of the ~~city~~ municipality on its own motion or, on a question that has not been submitted to the voters in an election within the previous six months, upon a petition signed by a number of voters equal to 20 percent of the votes cast at the last municipal general election. A question is carried only with the majority in its favor required by law or charter. The election officials for a special election shall be the same as for the most recent municipal general election unless changed according to law. Otherwise special elections shall be conducted and the returns made in the manner provided for the municipal general election.

Sec. 9. Minnesota Statutes 1992, section 205.10, is amended by adding a subdivision to read:

Subd. 4. [VACANCIES IN TOWN OFFICES.] Special elections must be held with the town general election to fill vacancies in town offices as provided in section 367.03, subdivision 2.

Sec. 10. Minnesota Statutes 1992, section 205.13, subdivision 1, is amended to read:

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] ~~Not more than~~

(1) ~~eight nor less than six weeks in the case of a town, or~~

(2) ~~not more than ten nor less than eight weeks, in the case of a city,~~

~~before the municipal primary, or before the municipal general election if there is no municipal primary.~~ An individual who is eligible and desires to become a candidate for an office to be voted for at the *municipal general election* shall file an affidavit of candidacy with the municipal clerk. The affidavit shall be in substantially the same form as that in section 204B.06, subdivision 1. The municipal clerk shall also accept an application signed by not less than five voters and filed on behalf of an eligible voter in the municipality whom they

desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation. ~~The filing dates contained in this subdivision do not apply to any home rule charter city whose charter provides for earlier filing dates.~~

Sec. 11. Minnesota Statutes 1992, section 205.13, is amended by adding a subdivision to read:

Subd. 1a. [FILING PERIOD.] An affidavit of candidacy for a town office to be elected in March must be filed not more than eight weeks nor less than six weeks before the town election. In municipalities nominating candidates at a municipal primary, an affidavit of candidacy for a city office or town office voted on in November must be filed not more than 70 days nor less than 56 days before the first Tuesday after the second Monday in September preceding the municipal general election. In all other municipalities, an affidavit of candidacy must be filed not more than 70 days and not less than 56 days before the municipal general election.

Sec. 12. Minnesota Statutes 1992, section 205.16, subdivision 1, is amended to read:

Subdivision 1. [PUBLICATION AND POSTING.] In every statutory city and home rule charter city, the charter of which does not provide the manner of giving notice of a municipal election municipality, the city municipal clerk shall, except as otherwise provided in this section, give two weeks' published notice, and may also give ten days' posted notice, of the election, stating the time of the election, the location of each polling place, the offices to be filled, and all propositions or questions to be voted upon at the election. In a city of the fourth class or a town not located within a metropolitan county as defined in section 473.121, the governing body may dispense with publication of the notice of the municipal general election, in which case ten days' posted notice shall be given. The city municipal clerk shall also post a copy of the notice in the clerk's office for public inspection.

Sec. 13. Minnesota Statutes 1992, section 205.16, subdivision 2, is amended to read:

Subd. 2. [SAMPLE BALLOT, PUBLICATION.] In all statutory and home rule charter cities, For every municipal election, the city municipal clerk shall, at least one week before the election, publish a sample ballot in the official newspaper of the city municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

Sec. 14. Minnesota Statutes 1992, section 205.17, subdivision 4, is amended to read:

Subd. 4. [BLUE BALLOTS; QUESTIONS.] All questions relating to the adoption of a city charter or charter amendments or, a proposition for the issuance of bonds, and all other questions relating to city or town affairs submitted at an election to the voters of the municipality, shall be printed on one separate blue ballot and shall be prepared, printed and distributed under the direction of the city municipal clerk at the same time and in the same manner as other municipal ballots. The ballots, when voted, shall be deposited in a separate blue ballot box provided by the local authorities for each voting

precinct. The ballots shall be canvassed, counted, and returned in the same manner as other municipal ballots. The returns shall provide appropriate blank spaces for the counting, canvassing and returning of the results of the questions submitted on the blue ballot.

Sec. 15. Minnesota Statutes 1992, section 205.175, is amended to read:

205.175 [VOTING HOURS.]

Subdivision 1. [~~CITIES~~ *MINIMUM VOTING HOURS.*] In all ~~statutory and home rule charter city~~ *municipal* elections, the ~~governing body of the city, by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, until the resolution is revoked.~~ *Cities covered by this subdivision shall certify their election hours to the county auditor upon adoption of the resolution giving notice of the election from 5:00 p.m. to 8:00 p.m.*

Subd. 2. [~~METROPOLITAN AREA TOWNS~~ *MUNICIPALITIES.*] At any ~~election of town officers, in a town~~ *The governing body of a municipality* which is located within a metropolitan county as defined by section 473.121, ~~the town board, by resolution adopted prior to giving notice of the election,~~ may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent ~~town municipal~~ elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the ~~town board municipal governing body.~~

Subd. 3. [~~OTHER TOWNS~~ *MUNICIPALITIES.*] In any ~~election of town officers in a town~~ *The governing body of a municipality other than a town municipality described in subdivision 2, the town board, may by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours addition to the minimum voting hours provided in subdivision 1, during which the polling places will remain open for voting at the next succeeding and all subsequent town municipal elections. The resolution shall remain in force until it is revoked by the town board municipal governing body or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last town municipal election, is presented to the town municipal clerk no later than 30 days prior to the town municipal election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The town municipal clerk shall give ten days notice of the changed voting hours and notify the county auditor of the change. Towns Municipalities covered by this subdivision shall certify their election hours to the county auditor in January of each year.*

Sec. 16. Minnesota Statutes 1992, section 205A.03, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTION.] The school board of a school district may, by resolution adopted at ~~least 12 weeks before the next school district general election by June 1 of any year,~~ decide to choose nominees for school district elective offices by a primary as provided in subdivisions 1 to 6. The resolution, when adopted, is effective for all ensuing elections of board members in that school district until it is revoked.

Sec. 17. Minnesota Statutes 1992, section 205A.03, subdivision 2, is amended to read:

Subd. 2. [DATE.] The school district primary must be held at a time designated by the school board in the resolution adopting the primary system, but no later than six weeks before on the first Tuesday after the second Monday in September in the year when the school district general election is held. The clerk shall give notice of the primary in the manner provided in section 205A.07.

Sec. 18. Minnesota Statutes 1992, section 205A.04, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL DISTRICT GENERAL ELECTION.] Except as may be provided in a special law or charter provision to the contrary, The general election in each school district must be held on the third Tuesday in May, unless the school board provides by resolution for holding the school district general election on the first Tuesday after the first Monday in November of either the odd-numbered or the even-numbered year. When the time of a school district's general election is changed from May to November, the terms of all board members shall be lengthened to expire on January 1; when the time of a school district's general election is changed from November to May, the terms of all board members shall be shortened to expire on July 1. Whenever the time of a school district election is changed, the school district clerk shall immediately notify in writing the county auditor or auditors of the counties in which the school district is located and the secretary of state of the change of date.

Sec. 19. Minnesota Statutes 1992, section 205A.06, subdivision 1, is amended to read:

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] Not more than ten nor less than eight weeks before a school district primary, or before the school district general election if there is no school district primary, An individual who is eligible and desires to become a candidate for an office to be voted on at the election must file an affidavit of candidacy with the school district clerk. The affidavit must be in substantially the same form as that in section 204B.06, subdivision 1. The school district clerk shall also accept an application signed by at least five voters and filed on behalf of an eligible voter in the school district whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. No individual shall be nominated by nominating petition for a school district elective office except in the event of a vacancy in nomination as provided in section 205A.03, subdivision 6. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation.

Sec. 20. Minnesota Statutes 1992, section 205A.06, is amended by adding a subdivision to read:

Subd. 1a. [FILING PERIOD.] In school districts nominating candidates at a school district primary, affidavits of candidacy may be filed with the school district clerk no earlier than the 70th day and no later than the 56th day before the first Tuesday after the second Monday in September in the year when the school district general election is held. In all other school districts, affidavits of candidacy must be filed not more than 70 days and not less than 56 days before the school district general election.

Sec. 21. Minnesota Statutes 1992, section 205A.09, subdivision 2, is amended to read:

Subd. 2. [OTHER SCHOOL DISTRICTS.] At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time, ~~in no event less than three hours,~~ during which the polling places will remain open for voting at the next succeeding and all later school district elections. *All polling places must be open between the hours of 5:00 p.m. and 8:00 p.m.* The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors of the change.

Sec. 22. Minnesota Statutes 1993 Supplement, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white ~~or buff~~ colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink. ~~If more than one ballot card is required, the cards must, so far as practicable, be of the same color as is required for paper ballots.~~

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

Sec. 23. Minnesota Statutes 1992, section 365.51, subdivision 1, is amended to read:

Subdivision 1. [WHEN; BAD WEATHER.] A town's annual town meeting must be held on the second Tuesday of March at the place named by the last annual town meeting. If no place was named then, the meeting must be held at the place named by the town board. The place may be outside the town if the place is within five miles of a town boundary. If there is bad weather on the day of the meeting and election *in March*, the town board shall set the meeting and election for the third Tuesday in March. If there is bad weather on the third Tuesday in March, the town board shall set another date for the meeting and election within 30 days of the third Tuesday in March. If the meeting and election are postponed, the notice requirements in subdivision 2 shall apply to the postponed meeting and election.

The balloting of the town election must be concluded on the same day the election is commenced.

Sec. 24. Minnesota Statutes 1992, section 365.51, subdivision 3, is amended to read:

Subd. 3. [OFFICERS; OTHER BUSINESS.] An annual town election shall be held on the same day as the annual town meeting to elect all town officers

required by law to be elected, *except as provided in section 205.075, subdivision 2.* Other town business shall be conducted at the town meeting as provided by law.

Sec. 25. Minnesota Statutes 1992, section 367.03, as amended by Laws 1993, chapter 24, section 1, is amended to read:

367.03 [OFFICERS ELECTED AT ANNUAL ELECTION; VACANCIES.]

Subdivision 1. ~~[OFFICERS SUPERVISORS, TERMS.]~~ Except in towns operating under option A *or in towns operating as provided in subdivision 4*, three supervisors shall be elected in each town *at the town general election as provided in this section. Each supervisor shall be elected for a term of three years.*

Subd. 2. [NEW TOWNS.] When a new town is organized and supervisors are elected at a town meeting prior to the annual town election, they shall serve only until the next annual town election. At that election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot.

Subd. 3. [SUPERVISORS; TOWNS UNDER OPTION A.] When two supervisors are to be elected for three-year terms under option A, a candidate shall indicate on the affidavit of candidacy which of the two offices the candidate is filing for. At following annual town elections one supervisor shall be elected for three years to succeed the one whose term expires at that time *and shall serve until a successor is elected and qualified.*

Subd. 4. [OFFICERS; METROPOLITAN TOWNS.] *Supervisors and other town officers in towns located in the metropolitan area as defined in section 473.121 that hold the town general election in November shall be elected for terms of four years and until their successors are elected and qualified. The clerk and treasurer shall be elected in alternate years.*

Subd. 5. [ELECTION OF CLERK, TREASURER.] Except in towns operating under option B or option D, or both, *or in towns operating as provided in subdivision 4*, at the annual town election in even-numbered years one town clerk and at the annual town election in odd-numbered years one town treasurer shall be elected. The clerk and treasurer each shall serve for two years and until their successors are elected and qualified.

Subd. 2 6. [VACANCIES.] When a vacancy occurs in a town office, the town board shall fill the vacancy by appointment. The person appointed shall hold office until the next annual town election, when a successor shall be elected for the unexpired term. A vacancy in the office of supervisor shall be filled by the remaining supervisors and the town clerk until the next annual town election, when a successor shall be elected for the unexpired term. When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled. Law enforcement vacancies shall be filled by appointment by the town board.

Sec. 26. [TRANSITION SCHEDULE FOR EVEN-YEAR ELECTIONS.]

Subdivision 1. [APPLICATION.] *The transition schedule in this section applies to political subdivisions that choose, before January 1, 1995, to conduct their primary and general elections in the even-numbered years. A*

political subdivision that later determines to change from an odd-numbered year election to an even-numbered year election may do so by adoption of a new resolution or ordinance that contains an orderly plan for the transition.

Subd. 2. [CITY OFFICES.] For city officials elected in 1995, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 1999 or on the first Monday in January of 2001. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1995 must expire in January of 1999. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of all city officials elected at a general election in 1996 expire on the first Monday in January of 2001. The terms of all city officials elected at a general election in 1998 expire on the first Monday in January of 2003.

For city officials elected in 1997, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2001 or on the first Monday in January of 2003. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1997 must expire in January 2001. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1997.

Subd. 3. [SCHOOL BOARD MEMBERS.] The terms of all school board members elected in 1996 expire on the first Monday in January of 2001. The terms of all school board members elected in 1998 expire on the first Monday in January of 2003.

The terms of office of school board members elected in 1995 expire on the first Monday in January of 1999 or 2001, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 1999 or January of 2001. To the extent practicable, one-half of the members elected in 1995 must expire in January of 1999. The governing body of the school district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of office of school board members elected in 1997 expire on the first Monday in January of 2001 or 2003, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 2001 or January of 2003. To the extent practicable, one-half of the members elected in 1997 must expire in January of 2001.

Subd. 4. [SPECIAL DISTRICT OFFICES.] The terms of office of special district officials elected in 1995 expire on the first Monday in January of 1999 or 2001, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 1999 or January of 2001. To the extent practicable, the terms of one-half of the officials to be elected in 1995 must expire in January of 1999. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of all special district officials elected in 1996 expire on the first Monday in January of 2001. The terms of all special district officials elected in 1998 expire on the first Monday in January of 2003.

The terms of office of special district officials elected in 1997 expire on the first Monday in January of 2001 or 2003, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2001 or January of 2003. To the extent practicable, the terms of one-half of the officials to be elected in 1997 must expire in January of 2001. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1997.

Sec. 27. [TRANSITION SCHEDULE FOR ODD-YEAR ELECTIONS.]

Subdivision 1. [APPLICATION.] The transition schedule in this section applies to political subdivisions that do not choose, before January 1, 1995, to conduct their primary and general elections in the even-numbered years. A political subdivision that later determines to change from an even-numbered year election to an odd-numbered year election may do so by adoption of a new resolution or ordinance that contains an orderly plan for the transition.

Subd. 2. [CITY OFFICES.] For city officials elected in 1996, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2000 or on the first Monday in January of 2002. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1996 must expire in January of 2000. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

The terms of all city officials elected at a general election in 1997 expire on the first Monday in January of 2002. The terms of all city officials elected at a general election in 1999 expire on the first Monday in January of 2004.

For city officials elected in 1998, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2002 or on the first Monday in January of 2004. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1998 must expire in January 2002. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1998.

Subd. 3. [SCHOOL BOARD MEMBERS.] The terms of all school board members elected in 1997 expire on the first Monday in January of 2002. The terms of all school board members elected in 1999 expire on the first Monday in January of 2004.

The terms of office of school board members elected in 1996 expire on the first Monday in January of 2000 or 2002, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 2000 or January of 2002. To the extent practicable, one-half of the members elected in 1996 must expire in January of 2000. The governing body of the school district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

Subd. 4. [SPECIAL DISTRICT OFFICES.] The terms of office of special district officials elected in 1996 expire on the first Monday in January of 2000 or 2002, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2000 or January of 2002. To the extent practicable, the terms of one-half of the officials to be elected in 1996 must expire in January of 2000. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

The terms of all special district officials elected in 1997 expire on the first Monday in January of 2002. The terms of all special district officials elected in 1999 expire on the first Monday in January of 2004.

The terms of office of special district officials elected in 1998 expire on the first Monday in January of 2002 or 2004, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2002 or January of 2004. To the extent practicable, the terms of one-half of the officials to be elected in 1998 must expire in January of 2002. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1998.

Sec. 28. [REPEALER.]

Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 4, 6, and 17 to 20 are effective on January 1, 1998. Section 2 is effective for school board members elected after January 1, 1995."

Delete the title and insert:

"A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting certain town elections to be held in November; making uniform certain local government procedures; changing school district election requirements; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, subdivision 1, and by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 205A.03, subdivisions 1 and 2; 205A.04, subdivision 1; 205A.06, subdivision 1, and by adding a subdivision; 205A.09, subdivision 2; 365.51, subdivisions 1 and 3; and 367.03, as amended; Minnesota Statutes 1993 Supplement, section 206.90, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 205; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2."

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

Senate Conferees: (Signed) William P. Luther, John Marty, Gary W. Laidig

House Conferees: (Signed) Tom Osthoff, Loren A. Solberg, Ron Abrams

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1512 be now adopted, and that the bill be

repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1512 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 60 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kiscaden	Moe, R.D.	Riveness
Beckman	Finn	Knutson	Mondale	Robertson
Belanger	Flynn	Kroening	Neuville	Runbeck
Benson, J.E.	Frederickson	Laidig	Novak	Sams
Berg	Hanson	Langseth	Oliver	Samuelson
Berglin	Hottinger	Larson	Pappas	Solon
Bertram	Janezich	Lesewski	Pariseau	Spear
Betzold	Johnson, D.E.	Lessard	Piper	Stevens
Chandler	Johnson, D.J.	Luther	Pogemiller	Stumpf
Chmielewski	Johnson, J.B.	Marty	Price	Terwilliger
Cohen	Johnston	McGowan	Ranum	Vickerman
Day	Kelly	Metzen	Reichgott Junge	Wiener

Messrs. Benson, D.D.; Merriam and Murphy voted in the negative.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 3041 at 1:00 p.m.:

Messrs. Pogemiller, Mondale, Luther, Terwilliger and Ms. Wiener. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 942 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 942: A bill for an act relating to traffic regulations; requiring every driver to use due care in operating a motor vehicle; amending Minnesota Statutes 1992, section 169.14, subdivision 1.

Mr. Chmielewski moved that the amendment made to H.F. No. 942 by the Committee on Rules and Administration in the report adopted April 7, 1994, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 942 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Knutson	Mondale	Robertson
Belanger	Flynn	Laidig	Murphy	Runbeck
Benson, D.D.	Frederickson	Langseth	Neuville	Sams
Benson, J.E.	Hanson	Larson	Novak	Samuelson
Berglin	Hottinger	Lesewski	Oliver	Solon
Bertram	Janezich	Lessard	Pappas	Spear
Betzold	Johnson, D.E.	Luther	Pariseau	Stevens
Chandler	Johnson, D.J.	Marty	Piper	Stumpf
Chmielewski	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Cohen	Johnston	Merriam	Price	Vickerman
Day	Kelly	Metzen	Ranum	Wiener
Dille	Kiscaden	Moe, R.D.	Riveness	

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1985 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1985: A resolution memorializing the President and Congress to act expeditiously in procuring a site for the storage of high-level radioactive waste.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Sams
Beckman	Flynn	Laidig	Neuville	Samuelson
Belanger	Frederickson	Langseth	Novak	Solon
Benson, D.D.	Hanson	Larson	Oliver	Spear
Benson, J.E.	Hottinger	Lesewski	Pappas	Stevens
Berg	Janezich	Lessard	Pariseau	Stumpf
Berglin	Johnson, D.E.	Luther	Piper	Terwilliger
Bertram	Johnson, D.J.	Marty	Pogemiller	Vickerman
Betzold	Johnson, J.B.	McGowan	Price	Wiener
Chmielewski	Johnston	Merriam	Ranum	
Cohen	Kelly	Metzen	Reichgott Junge	
Day	Kiscaden	Moe, R.D.	Robertson	
Dille	Knutson	Mondale	Runbeck	

Mr. Chandler voted in the negative.

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Executive and Official Communications.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 5, 1994

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the office of the Secretary of State Chapter 532, S.F. No. 2900, the higher education bill with the exception of item vetoes on Page 3, line 10 (1995 appropriation of 1,400,000); Page 3, lines 13-18; Page 3, lines 29-31; Page 3, lines 32-39; Page 3, lines 40-45; Page 3, lines 46-51; Page 4, lines 9-16; Page 4, line 19; Page 5, lines 1-12.

The items deleted, along with numerous others distributed throughout the major bills of the session, can and should be transacted in a regular budget year, when all the priorities of the state are debated and decided. I am particularly sensitive to initiatives for institutional renewal at the University of Minnesota, but I must make it clear that this is not a year for expanding budgets; it is the year for choosing whether we can preserve the fiscal stability of the state.

These initiatives might have fared well in a session in which there was enough discipline to confine spending to the state's actual capacity. They are postponed or lost because that discipline was not there, and it was left to me to remove items that are not emergencies.

Signing the bill does preserve the language authorizing the next steps in the higher education merger process, which I have consistently supported.

Warmest regards,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that the foregoing veto message be laid on the table. The motion prevailed.

May 6, 1994

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

I have vetoed and am returning Chapter 609, S.F. No. 2232, a bill relating to the appointment of county offices.

Under current Minnesota law, a county board may make the offices of county auditor, treasurer, sheriff and recorder appointed positions if approved by voter referendum (M.S. 375A.12). Chapter 609 would allow county boards to make the offices of county auditor, treasurer, coroner, and recorder appointed without a referendum, unless a petition is filed requesting a referendum.

This bill transfers authority from the voters to elected county board members. The voters can currently decide to make three of the four positions appointed

if they so choose, and there is no compelling reason to transfer that authority to county boards.

This legislation is unnecessary, and would infringe on the rights of citizens to elect certain local representatives.

Warmest regards,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 2232 and the veto message thereon, be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS – CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2927 and that the rules of the Senate be so far suspended as to give S.F. No. 2927, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 2927: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1992, sections 97A.112, subdivision 2, as amended; 144.871, subdivision 3, as amended; 272.488, subdivision 1, as amended; 290.067, subdivision 1, as amended; and 297A.44, subdivision 4; Minnesota Statutes 1993 Supplement, section 326.71, subdivision 4, as amended; Laws 1994, chapters 449, section 2, subdivision 3; 532, article 1, section 2, subdivision 3; and article 2, section 20; 587, article 11, section 9, subdivision 5; Senate File 2710, section 18; House File 2074, section 27, subdivision 6; House File 3210, article 3, section 123.

Ms. Reichgott Junge moved to amend S.F. No. 2927 as follows:

Page 9, after line 28, insert:

“Sec. 15. [CORRECTION 45.] Minnesota Statutes 1992, section 84.911, subdivision 7, as added by 1994 S.F. No. 1961, section 3, is amended to read:

Subd. 7. [CORONER TO REPORT DEATH.] Every coroner or medical examiner shall report in writing to the department of natural resources the death of any person within the coroner's jurisdiction of the coroner or medical examiner as the result of an accident involving a recreational motor vehicle, as defined in section 84.90, subdivision 1, and the circumstances of the accident. The report shall be made within 15 days after the death.

In the case of drivers killed in recreational motor vehicle accidents and of the death of passengers 14 years of age or older, who die within four hours after accident, the coroner or medical examiner shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information shall be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated by the department of natural resources. Periodically, the commissioner of natural resources must transmit a summary of the reports to the commissioner of public safety.

Sec. 16. [CORRECTION 45.] Minnesota Statutes 1992, section 86B.335, subdivision 13, as added by 1994 S.F. No. 1961, section 7, is amended to read:

Subd. 13. [CORONER TO REPORT DEATH.] Every coroner or medical examiner shall report in writing to the department of natural resources the death of any person within the ~~coroner's jurisdiction of the coroner or medical examiner~~ as the result of an accident involving any watercraft or drowning and the circumstances of the accident. The report shall be made within 15 days after the death or recovery.

In the case of operators killed in watercraft accidents, or the death of passengers or drowning victims 14 years of age or older, who die within four hours after accident, the coroner or medical examiner shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information shall be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated by the department of natural resources. Periodically, the commissioner of natural resources must transmit a summary of the reports to the commissioner of public safety.

Sec. 17. [CORRECTION 45.] If a bill styled as 1994 S.F. No. 1961, section 18, is enacted, the Revisor shall remove the proposed coding.

Sec. 18. [CORRECTION 45.] Minnesota Statutes 1993 Supplement, section 340A.503, subdivision 1, as amended by 1994 S.F. No. 1961, section 21, is amended to read:

Subdivision 1. [CONSUMPTION.] (a) It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee, municipal liquor store, or bottle club permit holder under section 340A.414, to permit any person under the age of 21 years to drink alcoholic beverages on the licensed premises or within the municipal liquor store; or

(2) person under the age of 21 years to consume any alcoholic beverages. If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this clause that the defendant consumed the alcoholic beverage in the household of the defendant's parent or guardian and with the consent of the parent or guardian.

(b) An offense under paragraph (a), clause (2), may be prosecuted either at the place where consumption occurs or the place where evidence of consumption is observed.

(c) When a person is convicted of or adjudicated for an offense under paragraph (a), clause (2), the court shall determine whether the person consumed the alcohol while operating a motor vehicle. If so, the court shall notify the commissioner of public safety of its determination. Upon receipt of the court's determination, the commissioner shall suspend the person's driver's license or operating privileges for 30 days, or for 180 days if the person has previously been convicted of or adjudicated for an offense under paragraph (a), clause (2).

(d) As used in this ~~paragraph~~ subdivision, "consume" includes the ingestion of an alcoholic beverage and the physical condition of having ingested an alcoholic beverage.

Sec. 19. [CORRECTION 46.] 1994 H.F. No. 3210, article 2, section 29, if enacted, is amended to read:

Sec. 29. [518.575] [PUBLICATION OF NAMES OF DELINQUENT CHILD SUPPORT OBLIGORS.]

Every three months the department of human services shall publish ~~at government bid rates~~ in the newspaper of widest circulation in each county a list of the names and last known addresses of each person who (1) is a child support obligor, (2) resides in the county, (3) is at least \$3,000 in arrears, and (4) has not made a child support payment, or has made only partial child support payments that total less than 25 percent of the amount of child support owed, for the last 12 months including any payments made through the interception of federal or state taxes. An obligor's name may not be published if the obligor claims in writing, and the department of human services determines, there is good cause for the nonpayment of child support. The list must be based on the best information available to the state at the time of publication.

Before publishing the name of the obligor, the department of human services shall send a notice to the obligor's last known address which states the department's intention to publish the obligor's name and the amount of child support the obligor owes. The notice must also provide an opportunity to have the obligor's name removed from the list by paying the arrearage or by entering into an agreement to pay the arrearage, and the final date when the payment or agreement can be accepted.

The department of human services shall insert with the notices sent to the obligee, a notice stating the intent to publish the obligor's name, and the criteria used to determine the publication of the obligor's name."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Reichgott Junge then moved to amend S.F. No. 2927 as follows:

Page 9, after line 28, insert:

"Sec. 20. [CORRECTION 48.] Minnesota Statutes 1992, section 115B.42, subdivision 1, as amended by 1994 H.F. No. 3086, if enacted, is amended to read:

Subdivision 1. [ESTABLISHMENT; APPROPRIATION; SEPARATE ACCOUNTING.] (a) The landfill cleanup account is established in the environmental fund in the state treasury. The account consists of money credited to the account and interest earned on the money in the account. Except as provided in section 115B.42, subdivision 2, clause (9) (7), money in the account is annually appropriated to the commissioner for the purposes listed in subdivision 2.

(b) The commissioner of finance shall separately account for revenue deposited in the account from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, and all other sources of revenue."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2927 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Kelly	McGowan	Ranum
Beckman	Day	Kiscaden	Merriam	Reichgott Junge
Belanger	Dille	Knutson	Moe, R.D.	Riveness
Benson, D.D.	Finn	Kroening	Mondale	Runbeck
Benson, J.E.	Flynn	Laidig	Neuville	Sams
Berg	Frederickson	Langseth	Oliver	Solon
Berglin	Hottinger	Larson	Pappas	Spear
Bertram	Johnson, D.E.	Lesewski	Pariseau	Stevens
Betzold	Johnson, D.J.	Lessard	Piper	Stumpf
Chandler	Johnson, J.B.	Luther	Pogemiller	Vickerman
Chmielewski	Johnston	Marty	Price	Wiener

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1706, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1706: A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Senate File No. 1706 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1994

Mr. President:

I have the honor to announce that the House has adopted the recommen-

dation and report of the Conference Committee on Senate File No. 2168, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2168: A bill for an act relating to agricultural businesses; exempting from sales tax the gross receipts of used farm machinery sales; providing matching moneys for federal emergency disaster funds to flood damaged counties; providing supplemental funding for grain inspection programs, financial assistance programs under the ethanol production fund, and small business disaster loan programs; expanding research on grain diseases; increasing funding for the farm advocates program, agricultural resource centers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; providing funding to the Agricultural Utilization Research Institute; appropriating money; amending Minnesota Statutes 1992, sections 297A.02, subdivision 2; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2; and Laws 1993, chapter 172, section 7, subdivision 3.

Senate File No. 2168 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1994

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.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2189, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2189 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2189

A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment

to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 475.61, subdivision 4; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, articles 6, section 34; and 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 126; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94,

subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

May 6, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2189, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2189 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1993 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve and cash flow account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning July 1, 1993, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow account to \$500,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before money is allocated to the budget reserve and cash flow account under the preceding sentence. *\$180,000,000 of the budget reserve and cash flow account shall be dedicated to elementary and secondary education.*

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to ~~sections 124.2721, subdivision 3;~~

~~124.575, subdivision 3; and section 124.914, subdivision 1; and Laws 1976, chapter 20, section 4.~~

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the May, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus ~~50.0~~ 37.4 percent *for fiscal year 1994 and thereafter* of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~50.0~~ 37.4 percent *for fiscal year 1994 and thereafter* of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 124.914, subdivision 1, ~~and Laws 1976, chapter 20, section 4;~~

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 136C.411; and

(v) amounts levied under section 124.755.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 3. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [PROPERTY TAX SHIFT REDUCTION.] (a) Money ~~made available~~ *appropriated* under section 16A.152, subdivision 2, must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the succeeding calendar year.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), *excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money made available appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to*

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), *excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.*

The result shall be rounded up to the nearest ~~whole~~ one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of education the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of education must notify school districts of a change in the levy recognition percent by January 15.

(d) *For fiscal years 1994 and 1995, when the levy recognition percent is reduced as provided in this subdivision, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction under Laws 1991, chapter 265, article 1, section 31, or Laws 1992, chapter 499, article 1, section 22. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of education such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3. An additional adjustment shall be made on June 30, 1995, for the final payment otherwise due July 1, 1995, under Minnesota Statutes 1992, section 136C.36.*

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Sec. 4. Minnesota Statutes 1992, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year; or

(2) ~~50.0~~ 37.4 percent for fiscal year 1994 of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of homestead and agricultural credit aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 5. Minnesota Statutes 1993 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (1) general education aid authorized in sections 124A.23 and 124B.20;
- (2) secondary vocational aid authorized in section 124.573;
- (3) special education aid authorized in section 124.32;
- (4) secondary vocational aid for children with a disability authorized in section 124.574;
- (5) aid for pupils of limited English proficiency authorized in section 124.273;
- (6) transportation aid authorized in section 124.225;
- (7) community education programs aid authorized in section 124.2713;
- (8) adult education aid authorized in section 124.26;
- (9) early childhood family education aid authorized in section 124.2711;
- (10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;
- (11) ~~secondary vocational cooperative aid according to section 124.575~~
~~school district cooperation aid authorized in section 124.2727;~~
- (12) assurance of mastery aid according to section 124.311;
- (13) ~~individual learning and development aid according to section 124.331;~~
- (14) ~~homestead credit under section 273.13 for taxes payable in 1989 and~~
~~additional transition credit under section 273.1398, subdivision 5, for taxes~~
~~payable in 1990 and thereafter;~~
- (15) ~~agricultural credit under section 273.132 for taxes payable in 1989 and~~
~~additional transition credit under section 273.1398, subdivision 5, for taxes~~
~~payable in 1990 and thereafter;~~
- (16) homestead and agricultural credit aid and, disparity reduction credit

and aid ~~authorized in~~, and changes to credits for prior year adjustments according to section 273.1398, ~~subdivision~~ subdivisions 2, 3, 4, and 7;

~~(17)~~ (14) attached machinery aid authorized in section 273.138, subdivision 3; and

~~(18)~~ (15) alternative delivery aid authorized in section 124.322.

(b) The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 6. Minnesota Statutes 1993 Supplement, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as ~~one-half~~ .515 of a pupil unit for fiscal year 1994 and .53 of a pupil unit for fiscal year 1995 and thereafter.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1994 and 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 7. Minnesota Statutes 1992, section 124.195, subdivision 3, is amended to read:

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] The commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	2.25
Payment 2	July 30:	4.50
Payment 3	August 15:	6.75
<i>the greater of (a) the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 6.75 percent</i>		
Payment 4	August 30:	9.0
Payment 5	September 15: <i>the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent</i>	12.75
Payment 6	September 30: <i>the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent</i>	16.50
Payment 7	October 15: <i>the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent</i>	
Payment 8	October 30: <i>the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent</i>	
Payment 9	November 15:	31.0
Payment 10	November 30:	37.0
Payment 11	December 15:	40.0
Payment 12	December 30:	43.0
Payment 13	January 15:	47.25
Payment 14	January 30:	51.5
Payment 15	February 15:	56.0
Payment 16	February 28:	60.5
Payment 17	March 15:	65.25
Payment 18	March 30:	70.0
Payment 19	April 15:	73.0

Payment 20	April 30:	79.0
Payment 21	May 15:	82.0
Payment 22	May 30:	90.0
Payment 23	June 20:	100.0

Sec. 8. Minnesota Statutes 1992, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. [APPEAL.] The commissioner in consultation with the commissioner of finance may revise the payment dates and percentages in subdivision 3 for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness or if the commissioner determines that excessive short-term borrowing costs will be incurred by a district, because of the increase in the levy recognition percentage from 37 percent to 50 percent according to section 121.904, subdivisions 4a and 4e, and the district can document substantial harm to instructional programs due to these costs. The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3.

Sec. 9. Minnesota Statutes 1992, section 124.195, is amended by adding a subdivision to read:

Subd. 3b. [CASH FLOW ADJUSTMENT.] During each year in which the cash flow low points for August, September, and October estimated by the commissioner of finance for invested treasurer's cash exceeds \$360,000,000, the commissioner of education shall increase the cumulative disbursement percentages established in subdivision 3 to the following amounts:

Payment 3	August 15:	12.75 percent
Payment 4	August 30:	15.00 percent
Payment 5	September 15:	17.25 percent
Payment 6	September 30:	19.50 percent
Payment 7	October 15:	21.75 percent

Sec. 10. Minnesota Statutes 1992, section 124.195, subdivision 6, is amended to read:

Subd. 6. [FINAL ADJUSTMENT PAYMENT.] For all aids and credits paid according to subdivision 10, the final adjustment payment shall include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made in two installments, during September or October, as specified in subdivision 3. In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment shall be made when actual data are available.

Sec. 11. Minnesota Statutes 1992, section 124.2725, subdivision 16, is amended to read:

Subd. 16. [EXCLUSION FROM FUND BALANCE.] Revenue received by a district under this section for each year of cooperation and the first three years of combination shall be excluded from the net unreserved operating fund

balance, for the purposes of ~~section~~ sections 124A.03, subdivision 3b, paragraph (c), and 124A.26.

Sec. 12. Minnesota Statutes 1993 Supplement, section 124.961, is amended to read:

124.961 [DEBT SERVICE APPROPRIATION.]

(a) ~~\$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95.~~ \$17,000,000 in fiscal year 1994 and, \$26,000,000 in fiscal year 1995, and \$31,600,000 in fiscal year 1996 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. The 1994 appropriation includes \$3,000,000 for 1993 and \$14,000,000 for 1994.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 13. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 3b. [REFERENDUM MARKET VALUE.] "Referendum market value" means the market value of all taxable property, except that any class of property, or any portion of a class of property, with a class rate of less than one percent under section 273.13 shall have a referendum market value equal to its net tax capacity multiplied by 100.

Sec. 14. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 25. [NET UNAPPROPRIATED OPERATING FUND BALANCE.] "Net unappropriated operating fund balance" means the sum of the fund balances in the general, transportation, food service, and community service funds minus the balances reserved for statutory operating debt reduction, bus purchase, severance pay, taconite, unemployment compensation, maintenance levy reduction, and encumbrances, computed as of June 30 each year.

Sec. 15. Minnesota Statutes 1993 Supplement, section 124A.029, subdivision 4, is amended to read:

Subd. 4. [PER PUPIL REVENUE OPTION.] A district may, by school board resolution, request that the department convert the levy authority under section 124.912, subdivisions 2 and 3, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, 1993, to an allowance per pupil. The district must adopt a resolution and submit a copy of the resolution to the department by July 1, 1993. The department shall convert a district's revenue for fiscal year 1995 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 124.912, subdivisions 2 and 3, for fiscal year 1994 by the district's 1993-1994 actual pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. If a district has referendum authority under section 124A.03 and levy authority under section 124.912, subdivisions 2 and 3, and the district requests that each be converted, the department shall convert separate revenue allowances for each. However, if a district's referendum revenue is limited to

a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, ~~the authority expires June 30, 1997, unless it is scheduled to expire sooner and the question on the referendum ballot did not provide for an expiration date; the authority shall expire according to section 124A.0311.~~

Sec. 16. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 1c, is amended to read:

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1994; or
- (2) 25 percent of the formula allowance for fiscal year 1995 and later.

(b) ~~The allowance calculated in paragraph (a) must be reduced by the amount of the referendum allowance reduction computed in subdivision 3b.~~

Sec. 17. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 1, may be increased in the amount 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 conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased revenue per actual pupil unit, the estimated referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot shall designate the specific number of years, not to exceed ~~five~~ *ten*, 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 revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after the levy is certified 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.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The

school board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) 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 referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 18. Minnesota Statutes 1992, section 124A.03, subdivision 2a, is amended to read:

Subd. 2a. [SCHOOL REFERENDUM LEVY; MARKET VALUE.] Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the *referendum* market value of all taxable property as defined in section 124A.02; subdivision 3b. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.

Sec. 19. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 3b, is amended to read:

Subd. 3b. [REFERENDUM ALLOWANCE REDUCTION.] A district's referendum allowance under subdivision 1c is reduced by the amounts calculated in paragraphs (a), (b), and (c), and (d).

(a) The referendum allowance reduction equals the amount by which a district's supplemental revenue reduction exceeds the district's supplemental revenue allowance for fiscal year 1993.

(b) Notwithstanding paragraph (a), if a district's initial referendum allowance is less than ten percent of the formula allowance for that year, the reduction equals the lesser of (1) an amount equal to \$100, or (2) the amount calculated in paragraph (a).

(c) Notwithstanding paragraph (a) or (b), a school district's referendum allowance reduction equals (1) an amount equal to \$100, times (2) one minus the ratio of 20 percent of the formula allowance minus the district's initial referendum allowance limit to 20 percent of the formula allowance for that year if:

(i) the district's adjusted net tax capacity for assessment year 1992 per actual pupil unit for fiscal year 1995 is less than \$3,000;

(ii) the district's net unappropriated operating fund balance as of June 30, 1993, divided by the actual pupil units for fiscal year 1995 is less than \$200;

(iii) the district's supplemental revenue allowance for fiscal year 1993 is equal to zero; and

(iv) the district's initial referendum revenue authority for the current year divided by the district's net tax capacity for assessment year 1992 is greater than ten percent.

(d) Notwithstanding paragraph (a), (b), or (c), the referendum revenue reduction for a newly reorganized district is computed as follows:

(1) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the districts as if they were still in existence for fiscal year 1995; or

(2) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the year preceding the year of reorganization.

Sec. 20. [124A.0311] [REFERENDUM AUTHORITY.]

Subdivision 1. [EXPIRATION.] Unless scheduled to expire sooner, a referendum levy authorized under section 124A.03 expires July 1, 2000. This subdivision does not apply to a referendum levy that is authorized for ten or fewer years and that is levied against the referendum market value of all taxable property located within the school district.

Subd. 2. [CONVERSION TO MARKET VALUE.] (a) Prior to June 1, 1997, by June 1 of each year, a school board may, by resolution of a majority of its board, convert any remaining portion of its referendum authority under section 124A.03, subdivision 2, that is authorized to be levied against net tax capacity to referendum authority that is authorized to be levied against the referendum market value of all taxable property located within the school district. At the option of the school board, any remaining portion of its referendum authority may be converted in two or more parts at separate times. The board must notify the commissioner of education of the amount of referendum authority that has been converted from net tax capacity to referendum market value, if any, by June 15, of each year. The maximum length of a referendum converted under this paragraph is ten years.

(b) For referendum levy amounts converted between June 1, 1997, and June 1, 1998, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to seven years.

(c) For referendum levy amounts converted between June 1, 1998, and June 1, 1999, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to six years.

(d) For referendum levy amounts converted between June 1, 1999, and June 1, 2000, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to five years.

Subd. 3. [ALTERNATIVE CONVERSION.] A school district that has a referendum that is levied against net tax capacity that expires before taxes payable in 1998 may convert its referendum authority according to this subdivision. In the payable year prior to the year of expiration, the school board may authorize a referendum under section 124A.03. Notwithstanding any other law to the contrary, the district may propose, and if approved by its electors, have its referendum authority reauthorized in part on tax capacity and in part on market value according to a schedule adopted by resolution of the school board for years prior to taxes payable in 2001, provided that, for taxes payable in 2001 and later, the full amount of referendum authority is levied against market value. If the full amount of the referendum is reauthorized on market value prior to taxes payable in 1998, the referendum may extend for 10 years. If the referendum becomes fully reauthorized on market value for a later year, the referendum shall not extend for more than the maximum number of years allowed under subdivision 2.

Subd. 4. [REFERENDUM.] The school board must prepare and publish in the official legal newspaper of the school district a notice of the public meeting on the district's intent to convert any portion of its referendum levy to market value not less than 30 days before the scheduled date of the meeting. The resolution converting a portion of the district's referendum levy to referendum market value becomes final unless within 30 days after the meeting where the resolution was adopted a petition requesting an election signed by a number of people residing in the district equal to 15 percent of the number of people who voted in the last general election in the school district is filed with the recording officer. If a petition is filed, then the school board resolution has no effect and the amount of referendum revenue authority specified in the resolution cancels for taxes payable in the following year and thereafter. The school board shall schedule a referendum under section 124A.03, subdivision 2.

Sec. 21. Minnesota Statutes 1992, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. [CONTRACT DEADLINE AND PENALTY.] (a) The following definitions apply to this subdivision:

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A, or section 136C.411.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

(c)(1) For a district that reorganizes according to section 122.22 or, 122.23, or 122.241 to 122.248 effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of

reorganization. This extension is available only in the calendar year following the effective date of reorganization.

(2) For a district that jointly negotiates a contract prior to the effective date of reorganization under section 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before the March 15 following the expiration of the teacher contracts in each district involved in the joint negotiation.

(3) Only one extension of the contract deadline is available to a district under this paragraph.

(d) The reduction shall equal \$25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(e) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 22. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, and the school is at least 19 miles from the next nearest school, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of one-half 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

- (1) the square root of one-half of the attendance area; and*
- (2) the distance from the border of the district to the nearest high school.*

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school. *For a building in a district where the nearest elementary school is at least 65 miles distant, pupils served shall be used to determine average daily membership.*

Sec. 23. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SECONDARY SPARSITY REVENUE.] (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by
- (4) the lesser of ~~one~~ 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23 shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 24. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 8, is amended to read:

Subd. 8. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue allowance for fiscal year 1994 and later fiscal years equals the district's supplemental revenue for fiscal year 1993 divided by the district's 1992-1993 actual pupil units.

(b) A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 9.

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its actual pupil units for that year.

(d) *A school district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A school district that is reorganizing under section 122.22, 122.23, or 122.241 may cancel its supplemental revenue by notifying the commissioner of education prior to July 1 of the year of the reorganization. If a district cancels its supplemental revenue according to this paragraph, its supplemental revenue allowance for fiscal year 1993 for purposes of subdivision 9 and section 124A.03, subdivision 3b, equals zero.*

Sec. 25. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] (a) Of a district's general education revenue an amount equal to the sum of the number of elementary ~~pupil units~~ *pupils in average daily membership* defined in section 124.17, subdivision 1, clause (f) and *one-half of the number of kindergarten pupil units pupils in average daily membership* as defined in section 124.17, subdivision 1, clause (e), times .03 for fiscal year 1994 and .06 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section.

(b) ~~For fiscal year 1995, a district must reserve an additional amount equal to the greater of~~

(i) \$0, or

(ii) \$100 minus the sum of the reduction for supplemental revenue under section 124A.22, subdivision 9, and the reduction for referendum revenue under section 124A.03, subdivision 3b, times the district's actual pupil units times the ratio of the district's elementary average daily membership to the district's average daily membership according to this section. The revenue must be placed in a learning and development reserved account and may only be used according to this section.

(c) ~~The ratio in paragraph (a) for fiscal year 1995 is adjusted by adding an amount equal to the ratio of the difference between the formula allowance for fiscal year 1995 minus 3,150 to 10,000.~~

Sec. 26. Minnesota Statutes 1993 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises \$969,800,000 for fiscal year 1994, \$1,044,000,000 for fiscal year 1995 and \$1,054,000,000 for fiscal year 1996 and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

Sec. 27. Minnesota Statutes 1992, sections 124A.26, is amended by adding a subdivision to read:

Subd. 5. [ALLOCATION AMONG ACCOUNTS.] The district must apportion any fund balance reduction under this section among all reserved and unreserved fund balance accounts included in the net unappropriated operating fund balance in the proportion that each account bears to the total.

Sec. 28. Minnesota Statutes 1992, section 124A.28, is amended by adding a subdivision to read:

Subd. 1a. [BUILDING ALLOCATION.] A district must consider the concentration of children from low-income families in each school building in the district when allocating compensatory revenue.

Sec. 29. Laws 1993, chapter 224, article 1, section 38, is amended to read:

Sec. 38. [TAX CREDIT ADJUSTMENT.]

Prior to the computation of homestead and agricultural aid for taxes payable in 1994, the commissioner of revenue shall reduce a school district's homestead and agricultural aid by an amount equal to the homestead and agricultural aid for calendar year 1993 times the ratio of referendum levy certified for 1993 to the certified unequalized levies for 1993. The department of education shall determine the change in referendum levies payable in 1994 attributable to this section and the increase in equalization under sections 8 and 9. Notwithstanding any law to the contrary, a district may recognize ~~revenue~~ *an additional amount as the levy certified in the prior calendar year equal to one-half 37.4 percent for fiscal year 1994 and thereafter of the levy reduction in the fiscal year the levy is certified and each year thereafter. No aids shall be reduced as a result of this recognition.*

Sec. 30. Laws 1993, chapter 224, article 15, section 2, is amended to read:

Sec. 2. [DECLINING PUPIL UNIT AID.]

(a) For fiscal year 1994 only, a school district is eligible for declining pupil unit aid equal to the greater of zero or the result of the following computation:

(1) add 77 percent of the district's actual pupil units for fiscal year 1994 and 23 percent of the district's actual pupil units for fiscal year 1993;

(2) subtract from the amount calculated in clause (1) the district's actual pupil units for fiscal year 1994; and

(3) multiply the amount determined in clause (2) by the basic formula allowance for that year.

(b) The aid amount calculated under paragraph (a) is available from the general education appropriation under article 1, section 41, subdivision 2, to the department of education for payment of declining pupil unit aid.

(c) For the purposes of this section, pursuant to Minnesota Statutes, section 124.17, subdivision 3, a pupil who is in grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1993.

Sec. 31. Laws 1993, chapter 224, article 15, section 3, is amended to read:

Sec. 3. [FISCAL YEAR 1996 AND FISCAL YEAR 1997 APPROPRIATIONS.]

(a) The appropriations for the 1996-1997 biennium for programs contained in this bill will be \$2,770,488,000 for fiscal year 1996 and \$2,953,102,000 for fiscal year 1997, plus or minus any adjustments due to variance in pupil

forecasts, levies or other factors generating entitlements for the general revenue program established in Minnesota Statutes, section 124A.04. These amounts will first be allocated to fully fund the general revenue program. Amounts remaining will be allocated to other programs in proportion to the fiscal year 1995 appropriations or the entitlements generated by existing law for those programs for each year, up to the amount of the entitlement or the fiscal year 1995 appropriations. Any amounts remaining after allocation to these other programs may be maintained in a reserve account pending recommendations of the governor and legislature in the 1995 session.

(b) Of the fiscal year 1997 appropriation limit, \$35,000,000 is reallocated to the fiscal year 1996 appropriation limit. For fiscal year 1996, the allocations for special education aid, capital expenditure health and safety aid, and debt service equalization aid as determined according to paragraph (a) are increased by \$26,500,000, \$3,700,000, and \$4,800,000 respectively.

Sec. 32. [EXEMPTION TO CONTRACT DEADLINE; HAYFIELD.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, independent school district No. 203, Hayfield, is not subject to the contract penalty reduction in general education revenue for fiscal year 1994.

Sec. 33. [AID ADJUSTMENT.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, paragraph (c), if:

(1) *a district's fiscal year 1994 general education aid was reduced under Minnesota Statutes 1992, section 124A.22, subdivision 2a;*

(2) *the district jointly negotiates a contract prior to the effective date of reorganization under Minnesota Statutes, sections 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized; and*

(3) *the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before May 15, 1994;*

the district's general education aid shall be increased in the amount of the reduction.

Sec. 34. [ADJUSTMENTS.]

Notwithstanding Minnesota Statutes, section 124.14, any excess appropriations for fiscal year 1993 not otherwise allocated to special education aid programs, abatement aid, and adult graduation aid under Minnesota Statutes, sections 124.214, 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574 shall be allocated to programs under Minnesota Statutes, section 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574. If the excess that is allocated for fiscal year 1993 to any programs specified in this section exceeds the deficiencies for that year, these differences shall remain in those accounts and shall be used to reduce deficiencies for fiscal year 1995 for programs under Minnesota Statutes, sections 124.273, 124.32, 124.322, and 124.574. Notwithstanding any law to the contrary, these amounts shall be reallocated prior to the addition of any other aids that may be available for that purpose.

Sec. 35. [SUPPLEMENTAL REVENUE REDUCTION.]

For fiscal year 1995 only, if a district's ratio of 1992 adjusted net tax capacity divided by 1994-1995 actual pupil units to the equalizing factor is less than or equal to .25, then the difference under Minnesota Statutes, section 124A.22, subdivision 9, clause (2), is equal to \$50 for purposes of computing the district's supplemental revenue under Minnesota Statutes, section 124A.22, subdivision 8. For purposes of computing the referendum allowance reduction under Minnesota Statutes, section 124A.03, subdivision 3b, the supplemental revenue reduction shall be computed according to Minnesota Statutes, section 124A.22, subdivision 9.

Sec. 36. [PEQUOT LAKES; DELAY IN AID REPAYMENT.]

The department of education must allow independent school district No. 186, Pequot Lakes, to repay over a five-year period state aid overpayments for fiscal years 1991 and 1992 due to the property tax revenue recognition shift. Notwithstanding Minnesota Statutes, section 124.155, subdivision 1, aids for independent school district No. 186, Pequot Lakes, shall not be adjusted for fiscal years 1991 and 1992 for pupils transferring into the district under Minnesota Statutes, section 120.062.

Sec. 37. [LEVY RECOGNITION ADJUSTMENT PAYMENT; TRANSFER OF FUNDS.]

The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education or the state board defined in section 136C.03 the amounts needed to finance the adjustment to aids required under Minnesota Statutes, section 124.155, resulting from the reduction of the levy recognition percent in Minnesota Statutes, section 121.904, subdivisions 4a and 4e, and the additional payments required under Minnesota Statutes, section 121.904, subdivision 4c, paragraph (d). This transfer of funds is required to ensure that the property tax shift reduction for fiscal year 1994 under Minnesota Statutes, section 16A.152, subdivision 2, as certified by the commissioner of finance according to Minnesota Statutes, section 121.904, subdivision 4c, paragraph (c), is funded for the amount certified.

Sec. 38. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.]

For fiscal year 1995 only, additional basic general education aid is \$17.10 per actual pupil unit. This amount is added to the basic general education revenue in Minnesota Statutes, section 124A.22, subdivision 2, only for the purpose of computing additional basic general education aid. The additional aid shall not be included in the computation of any other aid or levy. The additional aid is not subject to the levy equity provision in Minnesota Statutes, section 124A.24. The additional general education aid in this section is not included in the calculation of the general education aid according to Minnesota Statutes, section 124A.032. This additional aid is intended to partially cover the increase in fiscal year 1995 of revenue reserved for staff development according to Minnesota Statutes, section 124A.29, subdivision 1.

Sec. 39. [SAVINGS CLAUSE.]

(a) On or before July 1, 1999, a municipality, as defined in Minnesota Statutes, section 469.174, subdivision 6, may by resolution of its governing body designate an issue of outstanding or proposed tax increment bonds as protected bonds. Tax increment bonds which are general obligations and

bonds issued to reimburse a party for costs of a project and interest thereon may not be designated as protected bonds. For taxes levied in 1999 and thereafter, the municipality shall levy a tax on all taxable property within the municipality to pay or secure the payment of principal and interest on protected bonds. The tax must be levied in an amount equal to the amount by which the tax increment available to pay the protected bonds was reduced as a result of the repeal set forth in section Laws 1992, chapter 499, article 7, section 31. For purposes of calculating the amount of the tax increment reduction, the tax rate imposed in 1998 by the school district in which the tax increment financing district is located is assumed to apply, except that the tax rate for the school district under section 469.177, subdivision 1a, applies if the tax increment financing district is subject to that provision. The proceeds of the tax levied under this section shall be treated as tax increment derived from the tax increment financing district for all purposes under sections 469.174 to 469.179, provided that the taxes must be remitted to the municipality for deposit in its general fund to the extent the taxes are not used to pay or secure payment of the protected bonds.

(b) For purposes of making estimates prior to July 1, 1999, of future collections of tax increment, the municipality may disregard Laws 1992, chapter 499, article 7, section 31.

(c) An amendment or repeal of this section does not constitute an impairment of any bonds issued before the effective date of this section.

Sec. 40. [GENERAL EDUCATION AID APPROPRIATION ADJUSTMENTS.]

The appropriation for general and supplemental education aid in Laws 1993, chapter 224, article 1, section 41, subdivision 2, is adjusted by the amounts in paragraphs (a) and (b).

(a) For fiscal year 1994: \$3,667,000

(b) For fiscal year 1995: (\$35,204,000)

Sec. 41. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal year designated.

Subd. 2. [RICHFIELD LAND PURCHASE COMPENSATION.] For a grant to independent school district No. 280, Richfield, to compensate the district for the relocation of pupils due to the purchase of homes by the metropolitan airports commission:

\$500,000 1995

Subd. 3. [ONE ROOM SCHOOLHOUSE.] For a grant to independent school district No. 690, Warroad, to open and operate the Angle Inlet School:

\$50,000 1995

Subd. 4. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.] For general education aid according to section 38:

\$15,550,000 1995

Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of this appropriation must be paid in fiscal year 1995.

Sec. 42. [REPEALER.]

Laws 1993, chapter 224, article 1, section 37, is repealed.

Sec. 43. [EFFECTIVE DATE.]

(a) Sections 21 and 24; 30; 32; 33; 36; 40; and 41 are effective the day following final enactment.

(b) Sections 6 and 25 are effective for fiscal year 1994 and thereafter.

(c) Section 18 is effective for taxes payable in 1995 and later years.

(d) Section 1 is effective July 1, 1995.

(e) Sections 2 to 4; 29; and 37 are effective retroactive to January 1, 1994, and apply to aid payments for fiscal years 1994 and later. However, the levy recognition percent for taxes payable in 1994 is set by this article at 37.4 percent, and shall not be recomputed for taxes payable in 1994 under the provisions of section 3, paragraph (b).

(f) Sections 11; 19; and 24 are effective for revenue for the 1994-1995 school year and thereafter.

ARTICLE 2

TRANSPORTATION

Section 1, Minnesota Statutes 1992, section 124.223, subdivision 1, is amended to read:

Subdivision 1. [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) State transportation aid is authorized for 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; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes; 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; *transportation of resident pupils to and from language immersion programs*; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school. State transportation aid is not authorized for late transportation home from school for pupils involved in after school activities. State transportation aid is not authorized for summer program transportation except as provided in subdivision 8.

(b) For the purposes of this subdivision, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian

and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(2) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(1) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(2) the number of pupils enrolled in the school.

(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 7e, is amended to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.] A district's excess nonregular transportation revenue for 1992-1993 and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times ~~1.30~~ *the nonregular transportation inflation factor for the current year*, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 3a, is amended to read:

Subd. 3a. [TRANSPORTATION LEVY EQUITY.] (a) If a district's basic transportation levy for a fiscal year is adjusted according to subdivision 3, an amount must be deducted from the state payments that are authorized in chapter 273 and that are receivable for the same fiscal year. The amount of the deduction equals the difference between:

(1) the district's transportation revenue under section 124.225, subdivision 7d; and

(2) the sum of the district's maximum basic transportation levy under subdivision 1, the district's maximum nonregular levy under subdivision 4, ~~the district's maximum excess transportation levy under subdivision 5,~~ the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a.

(b) Notwithstanding paragraph (a), for fiscal year 1995, the amount of the deduction is one-fourth of the difference between clauses (1) and (2); for fiscal year 1996, the amount of the deduction is one-half of the difference between clauses (1) and (2); and for fiscal year 1997, the amount of the deduction is three-fourths of the difference between clauses (1) and (2).

(c) The amount of the deduction in any fiscal year must not exceed the amount of state payments that are authorized in chapter 273 and that are receivable for the same fiscal year in the district's transportation fund.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 9, is amended to read:

Subd. 9. [LATE ACTIVITY BUSES.] (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the *sum of the district's regular transportation revenue and the district's nonregular transportation revenue* for that school year according to section 124.225, subdivision 7d, ~~paragraph (a)~~.

(b) A district that levies under this section must provide late transportation from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

(c) Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified.

Sec. 5. Minnesota Statutes 1992, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, licensed child placing agency, foster parent, guardian ad litem, tribal representative, or other authorized advocate for the child or child's family, *a school district concerning the effect on student transportation of placing a child in a school district in which the child is not a resident*, or any other information deemed material by the court.

Sec. 6. Laws 1993, chapter 224, article 2, section 15, subdivision 2, as amended by Laws 1993, chapter 374, section 5, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

~~\$127,889,000~~ \$127,955,000 1994

\$141,658,000 \$143,406,000 1995

The 1994 appropriation includes \$18,327,000 for 1993 and ~~\$109,562,000~~ \$109,628,000 for 1994.

The 1995 appropriation includes ~~\$19,334,000~~ \$19,345,000 for 1994 and ~~\$122,324,000~~ \$124,061,000 for 1995.

Sec. 7. [STAPLES TRANSPORTATION FUNDING.]

Notwithstanding Minnesota Statutes, section 124.225, or any other law to the contrary, for fiscal year 1994, transportation aid paid to independent school district No. 793, Staples, for residents of independent school district No. 483, Motley, transported under Minnesota Statutes, section 120.062, subdivision 9, shall be computed using the regular transportation allowance determined according to Minnesota Statutes, section 124.225, for independent school district No. 483, Motley.

Sec. 8. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [METRO DEAF SCHOOL AID.] For transportation aid to independent school district No. 4005, Metro Deaf School:

\$21,000 1994

\$68,000 1995

Notwithstanding Minnesota Statutes, sections 120.064 and 124.248, or other law, the state shall pay transportation aid for fiscal years 1994 and 1995 to independent school district No. 4005, Metro Deaf School. The state aid for each fiscal year equals the district's actual cost for providing transportation services approved by the commissioner of education.

Sec. 9. [EFFECTIVE DATE.]

Sections 6 to 8 are effective the day following final enactment.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1992, section 13.04, is amended by adding a subdivision to read:

Subd. 5. [EDUCATION RECORDS; CHILD WITH A DISABILITY.] Nothing in this chapter shall be construed as limiting the frequency of inspection of the educational records of a child with a disability by the child's parent or guardian or by the child upon the child reaching the age of majority. An agency or institution may not charge a fee to search for or to retrieve the educational records. An agency or institution that receives a request for copies of the educational records of a child with a disability may charge a fee that reflects the costs of reproducing the records except when to do so would impair the ability of the child's parent or guardian, or the child who has reached the age of majority, to exercise their right to inspect and review those records.

Sec. 2. Minnesota Statutes 1992, section 120.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.] Every district shall provide special instruction and services,

either within the district or in another district, for children with a disability who are residents of the district and who are disabled as set forth in section 120.03. *Notwithstanding any age limits in laws to the contrary*, special instruction and services must be provided from birth until September 1 after the child with a disability becomes 21 22 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 126.22, subdivision 2. Local health, education, and social service agencies shall refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the state board shall cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This subdivision does not alter the compulsory attendance requirements of section 120.101.

Sec. 3. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] (a) 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 children with a disability. 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 children with a disability. 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, shall adopt permanent rules for instruction and services for children under age five and their families. These rules are binding on state and local education, health, and human services agencies. The state board shall adopt rules to determine eligibility for special education services. The rules shall include procedures and standards by which to grant variances for experimental eligibility criteria. 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.

(b) *The state's regulatory scheme should support schools by assuring that all state special education rules adopted by the state board of education result in one or more of the following outcomes:*

(1) *increased time available to teachers for educating students through direct and indirect instruction;*

(2) *consistent and uniform access to effective education programs for students with disabilities throughout the state;*

(3) *reduced inequalities, conflict, and court actions related to the delivery of special education instruction and services for students with disabilities;*

(4) *clear expectations for service providers and for students with disabilities;*

(5) increased accountability for all individuals and agencies that provide instruction and other services to students with disabilities;

(6) greater focus for the state and local resources dedicated to educating students with disabilities; and

(7) clearer standards for evaluating the effectiveness of education and support services for students with disabilities.

Sec. 4. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members shall be appointed by the governor. Council members shall elect the council chair. The representative of the commissioner of education may not serve as the chair. The council shall be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

Each year by June 1, the council shall recommend to the governor and the commissioners of education, health, human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council shall expire on June 30, 1997.

Sec. 5. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11b, is amended to read:

Subd. 11b. [RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.] (a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 120.03 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with an individual family service plan (IFSP) as defined in Code of Federal Regulations, title 34, sections 303.340, 303.341a, and 303.344 for each eligible infant and toddler from birth through age two and its family, or an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four. ~~County boards and school boards shall not be required to provide any services under an individual family service plan that are not required in an individual education plan or individual service plan.~~

(b) Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, *nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services*, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

(c) *School and county boards shall coordinate early intervention services. In the absence of agreements established according to subdivision 13, service responsibilities for children birth through age two are as follows:*

(1) *school boards are required to provide, pay for, and facilitate payment for special education and related services required under section 120.17, subdivision 2;*

(2) *county boards are required to provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).*

(d) *School and county boards may develop an interagency agreement according to subdivision 13 to establish agency responsibility that assures that early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.*

(e) County and school boards shall jointly determine the primary agency in this cooperative effort and must notify the commissioner of ~~education~~ *the state* lead agency of their decision.

Sec. 6. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY INTERVENTION COMMITTEES.] (a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, shall establish an interagency early intervention committee for children with disabilities under age five and their families. Committees shall include representatives of local and regional health, education, and county human service agencies; county boards; school boards; early childhood family education programs; parents of

young children with disabilities under age 12; current service providers; and may also include representatives from other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly.

(b) The committee shall develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families of available programs and services;

(2) implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities and their families;

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies. Agencies are encouraged to develop individual family service plans for children with disabilities, age three and older;

(5) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services;

(7) identify the current services and funding being provided within the community for children with disabilities under age five and their families; ~~and~~

(8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313); ~~and~~

(9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families;

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities; and

(3) prepare a yearly summary on the progress of the community in serving young children with disabilities, and their families, including the expenditure of funds, the identification of unmet service needs identified on the individual family services plan and other individualized plans, and local, state, and federal policies impeding the implementation of this section.

(d) The summary must be organized following a format prescribed by the commissioner of ~~education~~ *the state lead agency* and must be submitted to each of the local agencies and to the state interagency coordinating council by October 1 of each year.

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

Sec. 7. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 17, is amended to read:

Subd. 17. [STATE INTERAGENCY AGREEMENT.] (a) The commissioners of the departments of education, health, and human services shall enter into an agreement to implement this section and Part H, Public Law Number 102-119, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families. The agreement must be reviewed annually.

(b) The state interagency agreement shall outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H, Public Law Number 102-119, and other state allocations for this program;

(2) child find;

(3) establishment of local interagency agreements;

(4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;

(5) fiscal responsibilities of the state and local agencies;

(6) intra-agency and interagency dispute resolution;

(7) payor of last resort;

(8) maintenance of effort;

(9) procedural safeguards, including mediation;

(10) complaint resolution;

(11) quality assurance;

(12) data collection; and

(13) *an annual summary to the state interagency coordinating council*

regarding conflict resolution activities including disputes, due process hearings, and complaints; and

(14) other components of the state and local early intervention system consistent with Public Law Number 102-119.

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 8. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 18. [AGENCY ACCESS TO NONPUBLIC DATA.] The commissioner of administration shall prepare a form and disseminate guidelines for state agencies, political subdivisions, and other responsible authorities to use to enable a responsible authority to allow another responsible authority access to data about a child with a disability that is classified as not public. The form and guidelines must be consistent with section 13.05, subdivision 9, and federal law, and are not subject to the rule making requirements under chapter 14.

Sec. 9. [120.1701] [INTERAGENCY EARLY CHILDHOOD INTERVENTION SYSTEM.]

Subdivision 1. [PURPOSE.] It is the policy of the state to develop and implement comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

Subd. 2. [DEFINITIONS.] For the purposes of this section the following terms have the meaning given them.

(a) "Coordinate" means to provide ready access to a community's services and resources to meet child and family needs.

(b) "Core early intervention services" means services that are available at no cost to children and families. These services include:

(1) identification and referral;

(2) screening;

(3) evaluation;

(4) assessment;

(5) service coordination;

(6) special education and related services provided under section 120.17, subdivision 3a, and United States Code, title 20, section 1401; and

(7) protection of parent and child rights by means of procedural safeguards.

(c) "County board" means a county board established under chapter 375.

(d) "Early intervention record" means any personally identifiable information about a child or the child's family that is generated by the early intervention system, and that pertains to evaluation and assessment, development of an individualized family service plan, and the delivery of early intervention services.

(e) "Early intervention services" means services provided in conformity with an individualized family service plan that are designed to meet the special developmental needs of a child eligible under Code of Federal Regulations, title 34, part 303, and the needs of the child's family related to enhancing the child's development and that are selected in collaboration with the parent. These services include core early intervention services and additional early intervention services listed in subdivision 4 and services defined in Code of Federal Regulations, title 34, section 303, et seq.

(f) "Early intervention system" means the total effort in the state to meet the needs of eligible children and their families, including, but not limited to:

(1) any public agency in the state that receives funds under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119);

(2) other state and local agencies administering programs involved in the provision of early intervention services, including, but not limited to:

(i) the Maternal and Child Health program under Title V of the Social Security Act, United State Code, title 42, sections 701 to 709;

(ii) the Individuals with Disabilities Education Act, United State Code, title 20, sections 1411 to 1420 (Part B);

(iii) medical assistance under the Social Security Act, United State Code, title 42, section 1396 et seq.;

(iv) the Developmental Disabilities Assistance and Bill of Rights Act, United States Code, title 42, sections 6021 to 6030 (Part B); and

(v) the Head Start Act, United States Code, title 42, sections 9831 to 9852; and

(3) services provided by private groups or third-party payers in conformity with an individualized family service plan.

(g) "Eligibility for Part H" means eligibility for early childhood special education under section 120.03 and Minnesota Rules, part 3525.2335, subpart 1, items A and B.

(h) "Facilitate payment" means helping families access necessary public or private assistance that provides payment for services required to meet needs identified in a service plan, individual education plan (IEP), individual service plan (ISP), or individualized family service plan (IFSP), according to time frames required by the plan. This may also include activities to collect fees for services provided on a sliding fee basis, where permitted by state law.

(i) "Individualized family service plan" or "IFSP" means a written plan for providing services to a child and the child's family.

(j) "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities, and their families.

(k) "Local primary agency" means the agency designated jointly by the school and county board under subdivision 4.

(l) "Parent" means the biological parent with parental rights, adoptive parent, legal guardian, or surrogate parent.

(m) "Part H state plan" means the annual state plan application approved by the federal government under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(n) "Pay for" means using federal, state, local, and private dollars available for early intervention services.

(o) "Respite" means short term, temporary care provided to a child with a disability due to the temporary absence or need for relief of the family member or members or primary care giver, normally providing the care.

(p) "State lead agency" means the state agency receiving federal funds under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(q) "Surrogate parent" means a person appointed by the local education agency to assure that the rights of the child to early intervention services are protected.

Subd. 6. [LOCAL PRIMARY AGENCY.] (a) The local primary agency shall:

(1) facilitate the development of annual fund requests that identify arrangements with other local and regional agencies providing services as part of the state's early childhood intervention system and that result in service availability on a year-round basis, as necessary;

(2) administer funds received through the annual fund request;

(3) provide oversight for data collection efforts;

(4) facilitate completion of interagency early intervention committee duties as indicated in subdivision 5;

(5) request mediation from the state lead agency, if necessary;

(6) request assistance from the state lead agency when disputes between agencies cannot be resolved within 20 calendar days; and

(7) receive written requests from parents for matters that may be resolved through due process hearings.

(b) When the local primary agency is not an education agency, resources distributed under the early intervention fund shall be transferred from a local educational agency to a noneducation agency using a state provided contract. A local primary agency may budget for indirect costs at an amount not to exceed five percent of the amount allocated from the early intervention fund.

Subd. 7. [INDIVIDUALIZED FAMILY SERVICE PLAN.] (a) A team must participate in IFSP meetings to develop the individualized family service plan. The team shall include:

(1) a parent or parents of the child;

(2) other family members, as requested by the parent, if feasible to do so;

(3) *an advocate or person outside of the family, if the parent requests that the person participate;*

(4) *the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP; and*

(5) *a person or persons involved in conducting evaluation and assessments.*

(b) *The IFSP must include:*

(1) *information about the child's developmental status;*

(2) *family information, with the consent of the family;*

(3) *major outcomes expected to be achieved by the child and the family, that include the criteria, procedures, and time lines;*

(4) *specific early intervention services necessary to meet the unique needs of the child and the family to achieve the outcomes;*

(5) *payment arrangements, if any;*

(6) *medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;*

(7) *dates and duration of early intervention services;*

(8) *name of the service coordinator;*

(9) *steps to be taken to support a child's transition from early intervention services to other appropriate services; and*

(10) *signature of the parent and authorized signatures of the agencies responsible for providing, paying for, or facilitating payment (or any combination of these) for early intervention services.*

Subd. 8. [SERVICE COORDINATION.] (a) *The team developing the individualized family service plan under subdivision 7 shall select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:*

(1) *coordinating the performance of evaluations and assessments;*

(2) *facilitating and participating in the development, review, and evaluation of individualized family service plans;*

(3) *assisting families in identifying available service providers;*

(4) *coordinating and monitoring the delivery of available services;*

(5) *informing families of the availability of advocacy services;*

(6) *coordinating with medical, health, and other service providers;*

(7) *facilitating the development of a transition plan at least six months prior*

to the time the child is no longer eligible for early intervention services, if appropriate;

(8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and

(9) notifying a local primary agency when disputes between agencies impact service delivery required by an individualized family service plan.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system.

Subd. 8a. [EARLY INTERVENTION RESPITE.] The provision of respite services for an eligible child and family shall be determined in the context of the IFSP development based on the individual needs of the child and family and with consideration given to the following criteria:

(1) severity of the child's disability and needs;

(2) potential risk of out-of-home placement for the child if respite services are not provided;

(3) parental lack of access to informal support systems, including, but not limited to, extended family, supportive friends, and community supports;

(4) presence of factors known to increase family stress, including, but not limited to, family size and presence of another child or family member with a disability;

(5) the availability of other public services provided to the family which assist the parent or primary caretaker in obtaining relief from caretaking responsibilities; and

(6) the perceived and expressed level of need for respite services by the parent.

Counties are encouraged to make a variety of respite service models available, which may include in or out-of-home respite, family reimbursement programs, and parent-to-parent respite projects.

Subd. 9. [EARLY INTERVENTION FLOW-THROUGH DOLLARS.] (a) The state lead agency shall administer the early intervention account which consists of federal allocations. The Part H state plan shall state the amount of federal resources in the early intervention account available for use by local agencies. The state lead agency shall distribute the funds to the local primary agency based on a December 1 count of the prior year of Part H eligible children for the following purposes:

(1) as provided in Code of Federal Regulations, title 34, part 303.425, to arrange for payment for early intervention services not elsewhere available, or to pay for services during the pendency of a conflict procedure, including mediation, complaints, due process hearings, and interagency disputes; and

(2) to support interagency child find system activities.

(b) The priority purpose for this fund is paragraph (a), clause (1). The local

primary agency shall reallocate resources from the early intervention fund as necessary in order to meet this priority.

(c) Nothing in this subdivision shall limit the state lead agency's authority to allocate discretionary federal funds for any purpose consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119) and regulations adopted under United States Code, title 20, sections 1471 to 1485.

(d) Each county board must continue to spend for early intervention services under subdivision 2, paragraph (e), an amount equal to the total county expenditure during the period from January 1, 1993, to December 31, 1993, for these same services. The commissioner of human services, in consultation with the commissioner of health and the association of Minnesota counties, shall establish a process for determining base year 1993 expenditures.

(e) County boards that have submitted base year 1993 expenditures as required under paragraph (d) are not required to pay any increased cost over the base year 1993 for early intervention services resulting from implementing the early intervention system. Increased costs to county boards may be paid for with early intervention flow-through dollars.

(f) School boards are not required to pay for services defined in section 120.17, subdivision 11b, paragraph (c), clause (2).

Subd. 10. [PAYMENT FOR SERVICES.] Core early intervention services shall be provided at public expense with no cost to parents. Parents shall be requested to assist in the cost of additional early intervention services by using third-party payment sources and applying for available resources. If a parent chooses not to access these resources, additional early intervention services may not be provided. Payment structures permitted under state law shall be used to pay for additional early intervention services. Parental financial responsibility shall be clearly defined in the individualized family service plan. A parent's inability to pay shall not prohibit a child from receiving needed early intervention services.

Subd. 11. [PAYOR OF LAST RESORT.] (a) For fiscal years 1995 and 1996, the state lead agency shall establish a reserve account from federal sources to pay for services in dispute or to pay for early intervention services when local agencies have exhausted all other public and private funds available for Part H eligible children.

(b) The lead agency shall report to the legislature by January 1, 1996, regarding county board expenditures for early intervention services and the continuing need and funding of the reserve account.

Subd. 14. [THIRD-PARTY PAYMENT.] Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family.

Subd. 15. [BENEFITS COORDINATION.] The department of health shall provide technical assistance in a timely manner to service coordinators, parents of children with disabilities, and agencies in situations requiring the coordination of health insurance benefits, or the identification of third-party payor responsibilities to provide necessary health benefits.

Subd. 16. [PROCEDURAL SAFEGUARDS; PARENT AND CHILD RIGHTS.] (a) *This subdivision applies to local school and county boards for children from birth through age two who are eligible for Part H, Public Law Number 102-119, and their families. This subdivision must be consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119), regulations adopted under United States Code, title 20, sections 1471 to 1485, and this section.*

(b) *A parent has the right to:*

(1) *inspect and review early intervention records;*

(2) *prior written notice of a proposed action in the parents' native language unless it is clearly not feasible to do so;*

(3) *give consent to any proposed action;*

(4) *selectively accept or decline any early intervention service; and*

(5) *resolve issues regarding the identification, evaluation, or placement of the child, or the provision of appropriate early intervention services to the child and the child's family through an impartial due process hearing pursuant to subdivision 20.*

(c) *The eligible child has the right to have a surrogate parent appointed by a school district as required by section 120.17, subdivision 3.*

Subd. 17. [MEDIATION PROCEDURE.] *The commissioner of the state lead agency shall use federal funds to provide mediation for the activities in paragraphs (a) and (b).*

(a) *A parent may resolve a dispute regarding issues in subdivision 16, paragraph (b), clause (5), through mediation. If the parent chooses mediation, all public agencies involved in the dispute shall participate in the mediation process. The parent and the public agencies must complete the mediation process within 20 calendar days of the date the commissioner receives a parent's written request for mediation. The mediation process may not be used to delay a parent's right to a due process hearing. The resolution of the mediation is not binding on any party.*

(b) *The local primary agency may request mediation on behalf of involved agencies when there are disputes between agencies regarding responsibilities to coordinate, provide, pay for, or facilitate payment for early intervention services.*

Subd. 18. [COMPLAINT PROCEDURE.] (a) *An individual or organization may file a written signed complaint with the commissioner of the state lead agency alleging that one or more requirements of the Code of Federal Regulations, title 34, part 303, is not being met. The complaint must include:*

(1) *a statement that the state has violated the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) or Code of Federal Regulations, title 34, section 303; and*

(2) *the facts on which the complaint is based.*

(b) *The commissioner of the state lead agency shall receive and coordinate with other state agencies the review and resolution of a complaint within 60*

calendar days according to the state interagency agreement required under subdivision 22.

Subd. 19. [INTERAGENCY DISPUTE PROCEDURE.] (a) A dispute between a school board and a county board that is responsible for implementing the provisions of subdivision 4 regarding early identification, child and family assessment, service coordination, and IFSP development and implementation shall be resolved according to this subdivision when the dispute involves services provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(b) A dispute occurs when the school board and county board are unable to agree as to who is responsible to coordinate, provide, pay for, or facilitate payment for services from public and private sources.

(c) Written and signed disputes shall be filed with the local primary agency.

(d) The local primary agency shall have attempted to resolve the matter with the involved school board and county board and may request mediation from the commissioner of the state lead agency for this purpose.

(e) When interagency disputes have not been resolved within 30 calendar days, the local primary agency shall request the commissioner of the state lead agency to review the matter with the commissioners of health and human services and make a decision. The commissioner shall provide a consistent process for reviewing those procedures. The commissioners' decision is binding subject to the right of an aggrieved party to appeal to the state court of appeals.

(f) The local primary agency shall ensure that eligible children and their families receive early intervention services during resolution of a dispute. While a local dispute is pending, the local primary agency shall either assign financial responsibility to an agency or pay for the service from the early intervention account under subdivision 9. If in resolving the dispute, it is determined that the assignment of financial responsibility was inappropriate, the responsibility for payment must be reassigned to the appropriate agency and the responsible agency shall make arrangements for reimbursing any expenditures incurred by the agency originally assigned financial responsibility.

Subd. 20. [DUE PROCESS HEARINGS.] By July 1, 1994, the departments of education, health, and human services shall develop procedures for hearings.

Subd. 21. [DATA COLLECTION.] By July 1, 1994, the departments of education, health, and human services shall develop a plan to collect data about which early intervention services are being provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and sources of payment for those services.

Sec. 10. [120.185] [ACCOMMODATING STUDENTS WITH DISABILITIES.]

A school or school district shall provide a student who is an "individual with a disability" under Section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, or under the Americans with Disabilities

Act, Public Law Number 101-336, with reasonable accommodations or modifications in programs.

Sec. 11. Minnesota Statutes 1992, section 124.248, subdivision 3, is amended to read:

Subd. 3. [SPECIAL EDUCATION AID.] Special education aid shall be paid to an outcome-based school according to section 124.32 as though it were a school district. The school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. ~~The district of residence shall levy as provided in section 275.125, subdivision 8c, as though it were participating in a cooperative.~~ *The outcome-based school shall allocate its special education levy equalization revenue to the resident districts of the pupils attending the outcome-based school as though it were a cooperative, as provided in section 124.321, subdivision 2, paragraph (a), clause (1). The districts of residence shall levy as though they were participating in a cooperative, as provided in section 124.321, subdivision 3.*

Sec. 12. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] A district's ~~or cooperative center's "secondary vocational aid"~~ for secondary vocational education programs aid for a fiscal year equals the ~~sum of the following amounts for each program lesser of:~~

(a) ~~the greater of zero, or 75 percent of the difference between:~~

~~(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs; and~~

~~(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in that program; and \$80 times the district's average daily membership in grades 10 to 12; or~~

(b) 40 25 percent of approved expenditures for the following:

~~(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs;~~

~~(2) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 3a;~~

~~(2) (3) necessary travel between instructional sites by licensed secondary vocational education personnel;~~

~~(3) (4) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;~~

~~(4) (5) curriculum development activities that are part of a five-year plan for improvement based on program assessment;~~

~~(5) (6) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and~~

~~(6) (7) specialized vocational instructional supplies.~~

(c) Up to ten percent of a district's secondary vocational aid may be spent on equipment purchases. Districts using secondary vocational aid for equipment purchases must report to the department of education on the improved learning opportunities for students that result from the investment in equipment.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2e, is amended to read:

Subd. 2e. [ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.] For purposes of subdivision 2b, *paragraph (b), and subdivision 2f, paragraph (b)*, a cooperative center or an intermediate district shall allocate its approved expenditures for secondary vocational education programs among participating school districts. *For purposes of subdivision 2f, paragraph (a), a cooperative center or an intermediate district shall allocate its secondary vocational aid for fiscal year 1994 among participating school districts. For 1995 and later fiscal years, secondary vocational aid for services provided by a cooperative center or an intermediate district shall be paid to the participating school district.*

Sec. 14. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2f. [AID GUARANTEE.] *Notwithstanding subdivision 2b, the secondary vocational education aid for a school district is not less than the lesser of:*

(a) 95 percent of the secondary vocational education aid the district received for the previous fiscal year; or

(b) 40 percent of the approved expenditures for secondary vocational programs included in subdivision 2b, paragraph (b).

Sec. 15. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the commissioner and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program ~~in a cooperative center area~~ to qualify for this aid. *The rules must not require the collection of data at the program or course level to calculate secondary vocational aid.* The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The state board shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure

pursuant to the rules of the state board. Licensed personnel means persons holding a valid secondary vocational license issued by the commissioner, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the commissioner or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 16. Minnesota Statutes 1992, section 124.90, is amended by adding a subdivision to read:

Subd. 5. [NO REDUCTION IN REVENUE.] A school district's revenue for special education programs shall not be reduced by any payments for medical assistance or insurance received according to this section.

Sec. 17. [125.1895] [SKILLED SCHOOL INTERPRETERS.]

Subdivision 1. [REQUIREMENTS FOR AMERICAN SIGN LANGUAGE/ ENGLISH INTERPRETERS.] In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf, or a comparable state certification from the state board of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

Subd. 2. [ORAL OR CUED SPEECH TRANSLITERATORS.] In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must hold a current applicable transliterator certificate awarded by the national certifying association or comparable state certification from the state board of education.

Subd. 3. [QUALIFIED INTERPRETERS.] The department of education and the resource center: deaf and hard of hearing shall work with existing interpreter/transliterator training programs, other training/educational institutions, and the regional service centers to ensure that ongoing staff development training for educational interpreters/translilitators is provided throughout the state.

Subd. 4. [REIMBURSEMENT.] For purposes of revenue under sections 124.321 and 124.322, the department of education shall only reimburse school districts for the services of those interpreters/translilitators who satisfy the standards of competency under this section.

Sec. 18. Minnesota Statutes 1992, section 126.02, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION REQUIRED IN PUBLIC SCHOOLS.] There shall be established and provided in all the public schools of this state, physical and health education, training, and instruction of pupils of both sexes. Every pupil attending any such school, to the extent physically fit and able to do so, shall participate in the physical training program. Suitable modified courses shall be provided for pupils physically or mentally unable or unfit to take the *regular* courses ~~prescribed for normal pupils~~. No pupil shall be required to undergo a physical or medical examination or treatment if the parent or legal guardian of the person of such pupil shall in writing notify the teacher or principal or other person in charge of such pupil of an objection to such physical or medical examination or treatment; provided that secondary school pupils in junior and senior years need not take the course unless required by the local school board.

Sec. 19. Minnesota Statutes 1992, section 126.51, subdivision 1, is amended to read:

Subdivision 1. [PARENT COMMITTEE.] School boards and American Indian schools shall provide for the maximum involvement of parents of children enrolled in education programs, including language and culture education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the school board of a school district in which there are ten or more American Indian children enrolled and each American Indian school shall establish a parent committee. If a committee *whose membership consists of a majority* of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee ~~shall~~ *may* serve as the committee required by this section and shall be subject to, at least, the requirements of this ~~section~~ *subdivision and subdivision 1a*.

The parent committee shall develop its recommendations in consultation with the curriculum advisory committee required by section 126.666, subdivision 2. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. The committee shall also address the need for adult education programs for American Indian people in the community. The school board or American Indian school shall ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children served by the programs.

Sec. 20. Laws 1993, chapter 224, article 3, section 36, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; APPLICATIONS.] (a) The commissioner shall make application forms available to school districts interested in exploring effective alternatives for delivering certain special education services and programs as described in this section. Interested school districts must have their application to participate in the project approved by their local school board after a public hearing on the matter. Applications must be submitted to the commissioner by January 1, 1995. The application must describe how the applicant proposes to realize the purpose and goal of the project, including what activities and procedures the applicant proposes and whether the applicant seeks to be exempted from Minnesota Rules, part 3525.1341. *The*

application must also describe what staff development activities the applicant will provide to improve and expand opportunities for students with disabilities in the regular classroom setting and foster greater integration of general education and special education instruction and administration. The commissioner may require additional information of an applicant. The commissioner shall approve 12 applications before March 1, 1995. The commissioner shall ensure an equitable geographical distribution of project participants throughout the state.

(b) The commissioner shall make available to school districts interested in applying to participate in the project discretionary funds under Public Law Number 101-476 to allow the districts to cover the costs of convening their advisory council members under subdivision 6 to assist in developing an application under this subdivision.

Sec. 21. Laws 1993, chapter 224, article 3, section 38, subdivision 22, is amended to read:

Subd. 22. [TEACHER EDUCATION; HEARING IMPAIRED.] To assist school districts in ~~greater~~ Minnesota in educating teachers in American sign language, American sign language linguistics, and deaf culture as required under section 11, clause (c):

\$25,000 1994

\$35,000 1995

~~This appropriation is available until June 30, 1995.~~

The 1994 appropriation is available for assisting districts in greater Minnesota.

The 1995 appropriation is available for all school districts.

Any unspent portion of the 1994 appropriation is available in 1995.

Sec. 22. [CERTIFICATION OF SCHOOL INTERPRETERS.]

(a) *The state board of education, in consultation with the state board of teaching, interpreter/transliterator training programs, the Minnesota resource center: deaf and hard-of-hearing, the Minnesota registry of interpreters for the deaf, the Minnesota association of deaf citizens, the Minnesota commission serving deaf and hard-of-hearing people, and the deaf and hard-of-hearing services division of the department of human services, shall develop and adopt a competency-based certification system for school interpreters and transliterators. The state board shall adopt by rule the state certification system by July 1, 1997, effective for interpreters and transliterators employed after July 1, 2000.*

(b) *The state board of education shall conduct a study of the availability of appropriate training for school interpreters and transliterators throughout the state and the cost to the state, school districts, and their employees for training and certification. The state board shall report to the education committees of the legislature by February 1, 1995.*

Sec. 23. [STATE BOARD OF EDUCATION SHALL ADOPT RULES.]

The state board of education shall propose the recommended rules in the final report of the task force on education for children with disabilities and Minnesota Rules, part 3525.2925, subpart 1, as its proposed rules. The

statement of need and reasonableness under Minnesota Statutes, section 14.131, shall consider the impact of proposed changes on individual student needs and student access to necessary services. The office of administrative hearings shall hold a public hearing under Minnesota Statutes, section 14.14. The board shall adopt new rules that are effective at the beginning of the 1995-1996 school year. Any future amendments to rules adopted or amended under this section are covered by Minnesota Statutes, chapter 14.

Sec. 24. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY; SPECIAL EDUCATION REPRESENTATION.]

Notwithstanding Laws 1993, chapter 224, article 1, section 35, subdivision 2, the panel established under Laws 1993, chapter 224, article 1, section 35, subdivision 3, shall appoint a representative of special education who is familiar with both special education services and finance. The additional member under this subdivision shall be appointed by July 1, 1994. The coalition shall also consult with the state special education advisory council in developing its recommendations.

Sec. 25. [REPORTS OF INCIDENTS OF MISBEHAVIOR IN SCHOOLS.]

(a) For the 1994-1995 and 1995-1996 school years, each school district shall use a standardized form developed by the commissioner of education to report to the commissioner all incidents of misbehavior that result in the suspension or expulsion of students under Minnesota Statutes, sections 127.26 to 127.39. The standardized reporting form, which the commissioner may coordinate with the reporting form required under Minnesota Statutes, section 121.207, shall include the following information:

(1) a description of each incident of misbehavior that leads to the suspension or expulsion of the student including, where appropriate, a description of the dangerous weapon as defined in Minnesota Statutes, section 609.02, subdivision 6, involved in the incident;

(2) information about the suspended or expelled student, other than the student's name, including the student's age, whether the student is a student of color, and the number of times the student has been suspended or expelled previously and for what misbehavior;

(3) whether the student has or had an individualized learning plan (IEP) under Minnesota Statutes, section 120.17, and, if the student has or had an IEP, whether the misbehavior resulting in suspension or expulsion was a manifestation of the student's disabling condition;

(4) the actions taken by school officials to respond to the incident of misbehavior; and

(5) the duration of the suspension or expulsion.

(b) School districts shall use the standardized form to transmit the information described in paragraph (a) to the commissioner biannually by February 1 and July 1, beginning February 1, 1995, and ending July 1, 1996. The commissioner shall compile and analyze the data and present to the education committees of the legislature an interim report by January 1, 1996, and a final report by February 1, 1997.

(c) Based on the data collected, the department shall make recommendations to the legislature by March 15, 1995, for changes in the pupil fair dismissal act.

Sec. 26. [TASK FORCE.]

Subdivision 1. [REAUTHORIZATION.] Notwithstanding Laws 1993, chapter 224, article 3, section 41, the task force on education for children with disabilities shall expire February 15, 1995. The commissioner may appoint new members to fill vacancies on the task force.

Subd. 2. [STUDY OF STATE BOARD OF EDUCATION RULES.] (a) The task force shall review and may recommend changes to the education committees of the legislature in the following Minnesota Rules, parts 3525.1325, 3525.1327, 3525.1329, 3525.1331, 3525.1333, 3525.1335, 3525.1337, 3525.1339, 3525.1341, 3525.1343, 3525.1345, 3525.2325, and 3525.2340. In making its recommendations, the task force shall consider the educational needs of individual students, students' access to necessary services, maximization of teacher contact time with students, paperwork requirements, student achievement of educational outcomes, the integration of special education and general education instructional practices, and the costs of instruction and support services.

(b) The task force shall review the case loads and number of pupils assigned to special education teachers and recommend to the legislature alternatives to prohibiting state board rules that establish caseloads or set a maximum number of pupils assigned to a special education teacher under Minnesota Statutes, section 120.17, subdivision 3. The task force must assess the financial impact of its recommendations.

(c) In making its recommendations, the task force shall consult appropriate experts.

Subd. 3. [PLAN FOR MEETING TECHNOLOGY NEEDS.] The task force shall develop a plan for meeting the information, instructional, and assistive technology needs of special education within the context of the state educational system. The task force shall make recommendations to the education committees of the legislature by January 15, 1995. The plan shall, at a minimum, address the following:

- (1) identification of the various technology needs of special education;*
- (2) appropriate integration of special education technology needs with general education information technology;*
- (3) effective uses of technology for enabling special education and regular education staff to meet the needs of children with disabilities;*
- (4) effective uses of technology for improving the efficiency and effectiveness of special education administration, instruction, assessment, and reporting;*
- (5) methods for developing the appropriate technologies and making them available statewide; and*
- (6) costs of developing and implementing the appropriate technologies statewide.*

Sec. 27. [GRADUATION RULE.]

Subdivision 1. [SPECIAL EDUCATION.] The state board of education shall consult with the state special education advisory council in developing the high school graduation rule to ensure that students with disabilities may

fully participate under the rule. The state board shall ensure that state and local assessments provide for accommodations, modifications, and adaptations to meet the needs of students with disabilities; clear policies are developed for modifying graduation requirements when necessary to meet a student's needs under an individual education plan; and that state monitoring of learning sites assesses the achievement of a representative sample of all students, including students with individual learning plans.

Subd. 2. [TRANSITION OUTCOMES.] The state board of education shall include in the high school graduation rule outcomes for all students in skills for transition from school to the community, work, vocational training, and higher education. The outcome shall emphasize knowledge of life skills, skills for planning and evaluating vocational and educational choices, and state and community resources available to assist in identifying and evaluating choices. The state board shall consult with the state education and employment transitions council and the state special education advisory council in developing the outcomes.

Sec. 28. [SPECIAL EDUCATION MANUAL.]

(a) The commissioner of education shall develop a manual pertaining to the delivery of special education instruction and services for use by parents, school district administrators, teachers, and related service staff, and other direct service providers. The commissioner shall update the manual as necessary to ensure that the information contained in the manual is current. The manual shall contain at least the following:

(1) a concise listing of all federal and state laws, rules, and regulations that apply to special education;

(2) the rights and procedural safeguards available to students with disabilities and their parents or guardian; and

(3) best practice recommendations for school districts for policies and procedures to meet the needs of students with disabilities.

(b) The manual must be available within three months following the state board of education's adoption of state special education rules under section 23. The commissioner shall develop a plan to ensure that the manual is widely available to parents, school staff, and other interested individuals and organizations.

Sec. 29. [SCHOOL BOARD MEMBER TRAINING.]

The commissioner of education, in consultation with the Minnesota school boards association and the task force on education of children with disabilities, shall develop a model training curriculum for school board members in state and federal special education statutes, rules, and regulations, and in modifications and accommodations for students with disabilities consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1411 to 1420 (Part B), section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336. The model training curriculum shall be available to school board members by January 1, 1995.

Sec. 30. [SPECIAL LEVY FOR INDEPENDENT SCHOOL DISTRICT NO. 100, WRENSHALL.]

Notwithstanding Minnesota Statutes, section 124.321, or any other law to the contrary, independent school district No. 100, Wrenshall, may levy up to \$40,000 for taxes payable in 1995 for excess special education expenditures or for nonregular transportation expenditures according to Minnesota Statutes, section 124.223, subdivision 4, incurred in the 1993-1994 school year. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under Minnesota Statutes, section 124.155.

Sec. 31. [GRANTS FOR COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.]

A school district may apply to the commissioner of jobs and training for a grant to provide individualized education and training to youth with disabilities for making a transition from school to post-secondary education, work, or community living. Grantees shall provide the education and training according to the transition plan contained in youths' individual education plans. To be eligible for a grant, a district must develop its transition services in consultation with the community transition interagency committee. Grantees must use the grant to contract with a center for independent living certified under Minnesota Statutes, section 268A.11, or with another transition program the commissioner approves, to provide appropriate education and training under this section.

Sec. 32. [APPROPRIATION; GRANTS FOR COMMUNITY LIVING PROGRAMS.]

\$250,000 is appropriated from the general fund in fiscal year 1995 to the commissioner of jobs and training for the purpose of providing grants under section 31. This activity must be transferred to the budget of the department of jobs and training in the next biennial budget.

Sec. 33. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal year designated.

Subd. 2. [TASK FORCE.] For the task force on education for children with disabilities:

\$25,000 1994

A portion of this appropriation may be used to pay for the costs of adopting, amending, or repealing state board of education rules according to section 23. This appropriation may not be used to compensate department staff assisting the task force in carrying out its responsibilities. This appropriation expires February 15, 1995.

Subd. 3. [STUDENT SUSPENSIONS AND EXPULSIONS STUDY.] For a study of student suspensions and expulsions:

\$40,000 1995

This appropriation does not cancel.

Sec. 34. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor shall renumber sections 120.17, subdivision 11a, as 120.1701, subdivision 3; 120.17, subdivision 11b, as 120.1701, subdivision 4; 120.17, subdivision 12, as 120.1701, subdivision 5; 120.17, subdivision 14, as 120.1701, subdivision 12; 120.17, subdivision 14a, as 120.1701, subdivision 13; 120.17, subdivision 17, as 120.1701, subdivision 22.

Sec. 35. [EFFECTIVE DATE.]

Sections 4, 23, 24, 26, and 33, subdivision 2, are effective the day following final enactment.

ARTICLE 4

COMMUNITY PROGRAMS

Section 1. Minnesota Statutes 1992, section 120.101, is amended by adding a subdivision to read:

Subd. 5c. [EDUCATION RECORDS.] A school district from which a student is transferring must transmit the student's educational records, within ten business days of the date the student withdraws, to the school district in which the student is enrolling. School districts must make reasonable efforts to determine the school district in which a transferring student is next enrolling in order to comply with this subdivision.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE ORGANIZATION.] "Eligible organization" means:

(1) a local unit of government including a statutory or home rule charter city, township, county, or group of two or more contiguous counties;

(2) an existing nonprofit organization organized under chapter 317A;

(3) an educational institution;

(4) a private industry council; or

(5) a state agency; or

(6) a federal agency.

Sec. 3. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 9, is amended to read:

Subd. 9. [YOUTH WORKS TASK FORCE COMMISSION.] "~~Youth works task force~~" "Commission" means the ~~task force~~ Minnesota commission on national and community service established in section 121.703.

Sec. 4. Minnesota Statutes 1993 Supplement, section 121.703, is amended to read:

121.703 [YOUTH WORKS TASK FORCE MINNESOTA COMMISSION ON NATIONAL AND COMMUNITY SERVICE.]

Subdivision 1. [CREATION.] The ~~youth works task force~~ Minnesota commission on national and community service is established to assist the governor and the legislature in implementing sections 121.701 to 121.710 and federal law. *Retroactive to the first Monday in January 1994, the terms of the*

members of the first commission shall be, as nearly as possible, one year for one-third of the members, two years for one-third of the members, and three years for one-third of the members. The members of the first commission shall determine the length of their terms by lot. Thereafter, the terms of commission members shall be for three years. Commission members may be reappointed upon the completion of their current term. The terms, compensation, filling of vacancies, and removal of members are governed by section 45.059 15.0575. The youth works task force commission may accept gifts and contributions from public and private organizations.

Subd. 2. [MEMBERSHIP.] The youth works task force consists of 16 voting members. The membership includes the commissioner or designee of the departments of education, jobs and training, and natural resources and the executive director of the higher education coordinating board, and four persons appointed by the governor from among the following agencies: departments of human services, health, corrections, agriculture, public safety, finance, labor and industry, office of strategic and long-range planning, Minnesota office of volunteer services, Minnesota high technology council, Minnesota housing finance agency, association of service delivery areas, and Minnesota Technology, Inc. The governor shall appoint four members, one each representing a public or private sector labor union, business, students, and parents, and the remaining four members from among representatives of the following groups: educators, senior citizen organizations, local agencies working with youth service corps programs, school-based community service programs, higher education institutions, local educational agencies, volunteer public safety organizations, education partnership programs, public or non-profit organizations experienced in youth employment and training, and volunteer administrators, or other organizations working with volunteers. (a) The commission consists of 18 voting members. Voting members shall include the commissioner of education, a representative of the children's cabinet elected by the members of the children's cabinet, and the executive director of the higher education coordinating board.

(b) The governor shall appoint 15 additional voting members. Eight of the voting members appointed by the governor shall include a representative of public or nonprofit organizations experienced in youth employment and training, organizations promoting adult service and volunteerism, community-based service agencies or organizations, local public or private sector labor unions, local governments, business, a national service program, and Indian tribes. The remaining seven voting members appointed by the governor shall include an individual with expertise in the educational, training, and development needs of youth, particularly disadvantaged youth; a youth or young adult who is a participant in a higher education-based service-learning program; a disabled individual representing persons with disabilities; a youth who is out-of-school or disadvantaged; an educator of primary or secondary students; an educator from a higher education institution; and an individual between the ages of 16 and 25 who is a participant or supervisor in a youth service program.

(c) The governor shall appoint up to five ex officio nonvoting members from among the following agencies or organizations: the departments of jobs and training, natural resources, human services, health, corrections, agriculture, public safety, finance, and labor and industry, the Minnesota office of volunteer services, the housing finance agency, and Minnesota Technology,

Inc. A representative of the corporation for national and community service shall also serve as an ex officio nonvoting member.

(d) Voting and ex officio nonvoting members may appoint designees to act on their behalf. The number of voting members who are state employees shall not exceed 25 percent.

(e) The governor shall ensure that, to the extent possible, the membership of the ~~task force~~ commission is balanced according to geography, race, ethnicity, age, and gender. The speaker of the house and the majority leader of the senate shall each appoint two legislators to be nonvoting members of the ~~task force~~ commission.

Subd. 3. [DUTIES.] (a) The ~~youth works task force~~ commission shall:

(1) develop, with the assistance of the governor, *the commissioner of education*, and affected state agencies, a comprehensive state plan to provide services under sections 121.701 to 121.710 and federal law;

(2) actively pursue public and private funding sources for services, including funding available under federal law;

(3) coordinate volunteer service learning programs within the state;

(4) develop, in cooperation with the education and employment transitions council *and the commissioner of education*, volunteer service learning programs, including curriculum, materials, and methods of instruction;

(5) work collaboratively with the education and employment transitions council, *the commissioner of education*, schools, public and private agencies, for-profit and nonprofit employers, and labor unions to identify mentoring and service learning opportunities, solicit and recruit participants for these programs, and disseminate information on the programs;

(6) administer the youth works grant program under sections 121.704 to 121.709, *with assistance from the commissioner of education and the executive director of the higher education coordinating board*, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;

(7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;

(8) report to the governor, *commissioner of education*, and legislature; ~~and~~

(9) provide oversight and support for school, campus, and community-based service programs; *and*

(10) administer the federal AmeriCorps program.

(b) Nothing in sections 121.701 to 121.710 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

Sec. 5. Minnesota Statutes 1993 Supplement, section 121.705, is amended to read:

121.705 [YOUTH WORKS GRANTS.]

Subdivision 1. [APPLICATION.] An eligible organization interested in receiving a grant under sections 121.704 to 121.709 may prepare and submit

to the ~~youth works task force~~ *commission* an application that complies with section 121.706.

Subd. 2. [GRANT AUTHORITY.] The ~~youth works task force~~ *commission* shall use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 121.706. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the ~~youth works task force~~ *commission* may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 121.706.

Sec. 6. Minnesota Statutes 1993 Supplement, section 121.706, is amended to read:

121.706 [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATIONS REQUIRED.] An organization seeking federal or state grant money under sections 121.704 to 121.709 shall prepare and submit to the ~~youth works task force~~ *commission* an application that meets the requirements of this section. The ~~youth works task force~~ *commission* shall develop, and the applying organizations shall comply with, the form and manner of the application.

Subd. 2. [APPLICATION CONTENT.] An applicant on its application shall:

- (1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning;
- (2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;
- (3) describe the ~~classroom~~ *educational* component of the program, including classroom hours per week, classroom time for participants to reflect on the program experience, and anticipated academic outcomes related to the service experience;
- (4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;
- (5) describe local funds or resources available to meet the match requirements of section 121.709;
- (6) describe any funds available for the program from sources other than the requested grant;
- (7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;
- (8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service learning experience;

(9) describe any agreement with a local high school or an alternative learning center to provide remedial education, credit for community service work and work-based learning, or graduate equivalency degrees;

(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;

(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;

(12) describe the arbitration mechanism for dispute resolution required under section 121.707, subdivision 2;

(13) describe involvement of community leaders in developing broad-based support for the program;

(14) describe the consultation and sign-off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;

(15) certify to the ~~youth works task force~~ *commission* and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

(16) describe the length of the required service period, which may not be less than six months or more than two years, a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;

(17) describe a program evaluation plan that contains cost effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;

(18) describe a three-year financial plan for maintaining the program;

(19) describe the role of local youth in developing all aspects of the grant proposal; and

(20) describe the process by which the local private industry council participated in, and reviewed the grant application.

Sec. 7. Minnesota Statutes 1993 Supplement, section 121.707, is amended to read:

121.707 [PROGRAM PROVISIONS.]

Subdivision 1. [PARTICIPANT ELIGIBILITY.] (a) An individual is eligible to participate in full-time youth community service if the individual:

- (1) is at least 17 to 24 years old;
 - (2) is a citizen of the United States or lawfully admitted for permanent residency;
 - (3) is a permanent Minnesota resident as that term is used in section 256.936, subdivision 4c, paragraph (d), clause (2);
 - (4) (3) is applying for service and has received a high school diploma or its equivalent; or agrees to attain a high school diploma or its equivalent while participating in the program; and
 - (5) (4) agrees to act as an alumni volunteer or an alumni mentor upon successfully completing the program and postprogram education.
- (b) An individual is eligible to participate in part-time youth community service if the individual is at least 15 to 24 years old and meets the requirements under paragraph (a), clauses (2) to (5) (4).

Subd. 2. [TERMS OF SERVICE.] (a) A participant shall agree to perform community service for the period required unless the participant is unable to complete the terms of service for the reason provided in paragraph (b).

An agreement to perform community service must be in the form of a written contract between the participant and the grantee organization. Terms of the contract must include a length of service between six months and two years, the participant's education goals and commitment, the anticipated date of completion, dismissal for cause, including failure to fully participate in the education component, and the exclusive right to challenge a dismissal for cause through binding arbitration. The arbitrator must be chosen jointly by the grantee organization and the participant from the community or, if agreement cannot be reached, an arbitrator must be determined from a list of arbitrators provided by the American Arbitration Association. The sole remedy available to the participant through arbitration is reinstatement to the program and eligibility for postservice benefits. The parent or guardian of a minor shall consent in writing to the contract between the participant and the grantee organization.

(b) If the grantee organization releases a participant from completing a term of service in a program receiving assistance under sections 121.704 to 121.709 for compelling personal circumstances as demonstrated by the participant, or if the program in which the participant serves does not receive continued funding for any reason, the grantee organization may provide the participant with that portion of the financial assistance described in subdivision 3 that corresponds to the quantity of the service obligation completed by the individual.

If the grantee organization terminates a participant for cause or a participant resigns without demonstrating compelling personal circumstances under this section, no postservice benefit under subdivision 3 may be paid.

(c) A participant performing part-time service under sections 121.701 to 121.710 shall serve at least two weekends each month and two weeks during the year; or at least an average of nine hours per week each year. A part-time participant shall serve at least 900 hours during a period of not more than two years, or three years if enrolled in an institution of higher education. A

participant performing full-time service under sections 121.701 to 121.710 shall serve ~~for not less than 40 hours per week at least 1,700 hours during a period of not less than nine months, or more than one year.~~

(d) Notwithstanding any other law to the contrary, for purposes of tort liability under sections 3.732 and 3.736, while participating in a program a participant is an employee of the state.

(e) Participants performing community service in a program are not public employees for purposes of chapter 43A, 179A, 197, 353, or any other law governing hiring or discharging of public employees.

Subd. 3. [POSTSERVICE BENEFIT.] (a) Each participant shall receive a nontransferable postservice benefit upon successfully completing the program. The benefit must be ~~\$2,000 per year of part-time service or \$5,000 per year of full-time service not less than \$4,725 per year of full-time service or prorated for part-time service or for partial service of at least 900 hours.~~

~~(b) In the event that a program does not receive a federal grant that provides a postservice benefit, the participants in the program shall receive a postservice benefit equal in value to one-half the amount provided under paragraph (a).~~

~~(c) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).~~

~~(c) The higher education coordinating board shall establish an account for depositing funds for postservice benefits. If a participant does not use a postservice benefit according to subdivision 4 within seven years after completing the program, the amount of the postservice benefit shall be used to provide a postservice benefit to another eligible participant.~~

(d) The state shall provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.

Subd. 4. [USES OF POSTSERVICE BENEFITS.] (a) A postservice benefit for a participant provided under subdivision 3, paragraph (a), (b), or (c), must be available for ~~five~~ seven years after completing the program and may only be used for:

- (1) paying a student loan;
- (2) costs of attending an institution of higher education; or
- (3) expenses incurred by a student in an approved youth apprenticeship program under chapter 126B, or in an a registered apprenticeship program approved by the department of labor and industry.

Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Any postservice benefits provided by federal funds or vouchers may be used as a downpayment on, or closing costs for, purchasing a first home.

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. The youth works

~~task force~~ *commission*, in consultation with the education and employment transitions council, shall determine how the benefits may be used in order to best prepare participants with skills that build on their service learning and equip them for meaningful employment.

(c) *The postservice benefit shall not be included in determining financial need when establishing eligibility or award amounts for financial assistance programs under chapter 136A.*

Subd. 5. [LIVING ALLOWANCE.] (a) A participant in a full-time community service program shall receive a monthly stipend of *not less than \$500*. An eligible organization may provide participants with additional amounts from ~~nonfederal or~~ nonstate sources. *The amount of the living allowance may be prorated for part-time participants.*

(b) Nothing in this subdivision requires an existing program to decrease any stipend, salary, or living allowance provided to a participant under the program.

(c) In addition to the living allowance provided under paragraph (a), a grantee organization shall provide health ~~and dental~~ *and child care* coverage to each participant in a full-time youth works program who does not otherwise have access to health ~~or dental or child care~~ coverage. The state shall include the cost of group health and ~~dental child care~~ coverage in the grant to the eligible organization.

Subd. 6. [PROGRAM TRAINING.] (a) The ~~youth works task force~~ *commission* shall, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

(1) orient each participant in the nature, philosophy, and purpose of the program;

(2) build an ethic of community service through general community service training; and

(3) provide additional training as it determines necessary.

(b) Each grantee organization shall also train participants in skills relevant to the community service opportunity.

Subd. 7. [TRAINING AND EDUCATION REQUIREMENTS.] Each grantee organization shall assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The ~~youth works task force~~ *commission* may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

Sec. 8. Minnesota Statutes 1993 Supplement, section 121.708, is amended to read:

121.708 [PRIORITY.]

The ~~youth works task force~~ *commission* shall give priority to an eligible organization proposing a program that meets the goals of sections 121.704 to 121.707, and that:

(1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming postservice leadership and mentoring responsibilities;

(2) serves a community with significant unmet needs;

(3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;

(4) builds linkages with existing, successful programs; and

(5) can be operational quickly.

Sec. 9. Minnesota Statutes 1993 Supplement, section 121.709, is amended to read:

121.709 [MATCH REQUIREMENTS.]

A grant awarded through the youth works program must be matched at \$2 of grant funds for at least \$1 of applicant funds. Youth works grant funds must be used for the living allowance, cost of employer taxes under sections 3111 and 3301 of the Internal Revenue Code of 1986, workers' compensation coverage, and health and dental benefits for each program participant. Applicant funds resources, from sources and in a form determined by the youth works task force commission, must be used to pay provide for crew leaders, administration, all other program operating costs, including such costs as supplies, materials, and transportation, and salaries and benefits of those staff directly involved in the operation, internal monitoring, and evaluation of the program. Administrative expenses must not exceed seven five percent of total program costs. To the extent that administrative costs are less than seven percent, an amount equal to the difference between the percent expended and seven percent shall be applied to the local match requirement in this section.

Sec. 10. Minnesota Statutes 1993 Supplement, section 121.710, is amended to read:

121.710 [EVALUATION AND REPORTING REQUIREMENTS.]

Subdivision 1. [GRANTEE ORGANIZATIONS.] Each grantee organization shall report to the youth works task force commission at the time and on the matters requested by the youth works task force commission.

Subd. 2. [INTERIM REPORT.] The youth works task force commission shall report semiannually to the legislature with interim recommendations to change the program.

Subd. 3. [FINAL REPORT.] The youth works task force commission shall present a final report to the legislature by January 1, 1998, summarizing grantee evaluations, reporting on individual participants and participating grantee organizations, and recommending any changes to improve or expand the program.

Sec. 11. Minnesota Statutes 1993 Supplement, section 121.831, subdivision 9, is amended to read:

Subd. 9. [CHILD RECORDS.] (a) A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall

become part of the child's permanent record. The cumulative record is private data under chapter 13. Information in the record may be disseminated to an educator or service provider only to the extent that that person has a need to know the information.

(b) *An educator or service provider may transmit information in the child's cumulative record to an educator or service provider in another program for young children when the child applies to enroll in that other program.*

Sec. 12. Minnesota Statutes 1993 Supplement, section 121.8355, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) In order to qualify as a family services collaborative, a minimum of one school district, one county, and one public health entity must agree in writing to provide coordinated family services and commit resources to an integrated fund. Collaboratives are expected to have broad community representation, which may include other local providers, including additional school districts, counties, and public health entities, other municipalities, *public libraries*, existing culturally specific community organizations, local health organizations, private and nonprofit service providers, child care providers, local foundations, community-based service groups, businesses, local transit authorities or other transportation providers, community action agencies under section 268.53, senior citizen volunteer organizations, and sectarian organizations that provide nonsectarian services.

(b) Community-based collaboratives composed of representatives of schools, local businesses, local units of government, parents, students, clergy, health and social services providers, youth service organizations, and existing culturally specific community organizations may plan and develop services for children and youth. A community-based collaborative must agree to collaborate with county, school district, and public health entities. Their services may include opportunities for children or youth to improve child health and development, reduce barriers to adequate school performance, improve family functioning, provide community service, enhance self esteem, and develop general employment skills.

Sec. 13. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 1, is amended to read:

Subdivision 1. [SERVICE LEARNING AND WORK-BASED LEARNING PROGRAMS STUDY.] The ~~youth works task force~~ *Minnesota commission on national and community service*, established in section 121.703, shall assist the commissioner of education in studying how to combine community service activities and service learning with work-based learning programs.

Sec. 14. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 2, is amended to read:

Subd. 2. [SERVICE LEARNING PROGRAMS DEVELOPED.] The commissioner, in consultation with the ~~task force~~ *commission*, shall develop a service learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

(1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such

organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;

(2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;

(3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and

(4) criteria for community service activities and service learning.

Sec. 15. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 4, is amended to read:

Subd. 4. [PROGRAMS FOLLOWING YOUTH COMMUNITY SERVICE.] (a) The ~~youth works task force~~ *Minnesota commission on national and community service* established in section 121.703, in cooperation with the commissioner and the higher education coordinating board, shall provide for those participants who successfully complete youth community service under sections 121.703 to 121.709, the following:

(1) for those who have a high school diploma or its equivalent, an opportunity to participate in a youth apprenticeship program at a community or technical college; and

(2) for those who are post-secondary students, an opportunity to participate in an educational program that supplements post-secondary courses leading to a degree or a statewide credential of academic and occupational proficiency.

(b) Participants who successfully complete a youth community service program under sections 121.704 to 121.710 are eligible to receive an education voucher as provided under section 121.707, subdivision 4. The voucher recipient may apply the voucher toward the cost of the recipient's tuition and other education-related expenses at a ~~public~~ post-secondary school under paragraph (a).

(c) The ~~youth works task force~~ *Minnesota commission on national and community service*, in cooperation with the state board of technical colleges, shall establish a mechanism to transfer credit earned in a youth apprenticeship program between the technical colleges and other post-secondary institutions offering applied associate degrees.

Sec. 16. Minnesota Statutes 1992, section 124.26, subdivision 1b, is amended to read:

Subd. 1b. [PROGRAM REQUIREMENTS.] An adult basic ~~and continuing~~ education program is a day or evening program offered by a district that is for people over 16 years of age through the 1999-2000 school year and over 18 years of age beginning with the 2000-2001 school year who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged to a learner for instruction ~~subsidized~~ *paid* under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 17. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] (a) To receive aid under this section, a district, a consortium of districts, or a private nonprofit organization must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

(b) The commissioner may ~~contract with~~ grant adult basic education funds to a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a ~~contract~~ this provision must be approved and funded according to the same criteria used for district programs.

(c) Adult basic education programs may be approved under this subdivision for up to five years. Five-year program approval shall be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

(2) provide a participatory and ~~experimental~~ experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such

as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 18. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS; REVENUE; AID.] Each district ~~or~~, group of districts, ~~or private nonprofit organization~~, providing adult basic education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All ~~aid~~ revenue received pursuant to this section shall be utilized solely for the purposes of adult basic education programs. In no case shall federal and state aid equal more than 100 percent of the actual cost of providing these programs.

Sec. 19. Minnesota Statutes 1992, section 124.2601, subdivision 3, is amended to read:

Subd. 3. [AID.] Adult basic education aid for each ~~district with an eligible approved~~ program equals 65 percent of the general education formula allowance times the number of full-time equivalent students in its adult basic education program.

Sec. 20. Minnesota Statutes 1992, section 124.2601, subdivision 5, is amended to read:

Subd. 5. [REVENUE.] Adult basic education revenue is equal to the sum of ~~a district's~~ *an approved program's* adult basic education aid and its adult basic education levy.

Sec. 21. Minnesota Statutes 1992, section 124.2601, subdivision 7, is amended to read:

Subd. 7. [PRORATION.] If the total appropriation for adult basic education aid is insufficient to pay all ~~districts approved programs~~ the full amount of aid earned, the department of education shall proportionately reduce each ~~district's approved program's~~ aid.

Sec. 22. Minnesota Statutes 1993 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The revenue for early childhood family education programs for a school district equals \$101.25 for 1993 and later fiscal years times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on ~~September~~ *October* 1 of the previous school year.

Sec. 23. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 6. [RESERVE ACCOUNT.] Early childhood family education revenue must be maintained in a reserve account within the community service fund.

Sec. 24. Minnesota Statutes 1993 Supplement, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals 85 cents for fiscal year 1994, \$1 for fiscal year 1995, and 85 cents for fiscal year 1996 and thereafter, times the greater of 1,335 or the population of the district.

Sec. 25. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 10. [RESERVE ACCOUNT.] Community education revenue must be maintained in a reserve account within the community service fund.

Sec. 26. Minnesota Statutes 1993 Supplement, section 124.2714, is amended to read:

124.2714 [ADDITIONAL COMMUNITY EDUCATION REVENUE.]

(a) A district that is eligible under section 124.2713, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) Beginning with levies for fiscal year 1995, this levy must be reduced each year by the amount of any increase in the levying district's general community education revenue under section 124.2713, subdivision 3, for that fiscal year over the amount received by the district under section 124.2713, subdivision 3, for fiscal year 1994.

(c) The proceeds of the levy may be used for the purposes set forth in section 124.2713, subdivision 8.

Sec. 27. Minnesota Statutes 1992, section 124C.49, is amended to read:

124C.49 [DESIGNATION AS CENTER.]

The commissioner of education, in cooperation with the state board of education, shall establish a process for state designation and approval of area learning centers that meet the provisions of sections 124C.45 to 124C.48. *Any process for designating and approving an area learning center must emphasize the importance of having the area learning center serve students who have dropped out of school, are homeless, are eligible to receive free or reduced priced lunch, have been suspended or expelled, have been declared truant or are pregnant or parents.*

Sec. 28. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2 may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, clause (b), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) A pupil who is eligible under subdivision 2, may enroll part time, if 16 years of age or older, or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the *serving* school district of ~~residence~~ to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88.

Sec. 29. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL ELIGIBLE PROGRAM.] A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonprofit, nonpublic school that has contracted with the *serving* school district of ~~residence~~ to provide nonsectarian educational services. Such a school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Sec. 30. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 4, is amended to read:

Subd. 4. [PUPIL ENROLLMENT.] Any eligible pupil may apply to enroll in an eligible program. Approval of the resident district is not required for:

(1) an eligible pupil to enroll in any eligible program in a nonresident district under subdivision 3 *or 3a* or an area learning center established under section 124C.45; or

(2) an eligible pupil under subdivision 2, to enroll in an adult basic education program approved under section 124.26.

Sec. 31. Minnesota Statutes 1992, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in an alternative program, eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a, operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the ~~resident~~ district *contracting with the private organization* must reimburse the provider an amount equal to at least 88 percent of the basic revenue of the district for

each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 32. Minnesota Statutes 1992, section 126.69, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM GOALS.] The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas;

(4) provide creative learning experiences for parents or guardians and their school-age children, including involvement from parents or guardians of color; ~~and~~

(5) encourage parents to actively participate in their district's curriculum advisory committee under section 126.666 in order to assist the school board in improving children's education programs; *and*

(6) *encourage parents to help in promoting school desegregation/integration.*

Sec. 33. Minnesota Statutes 1992, section 126.69, subdivision 3, is amended to read:

Subd. 3. [PLAN ACTIVITIES.] Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

- (6) parent resource centers;
- (7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;
- (8) reports to parents on children's progress;
- (9) use of parents as classroom volunteers, *or as volunteers in before and after school programs for school-age children*, tutors, and aides;
- (10) soliciting parents' suggestions in planning, developing, and implementing school programs;
- (11) educational programs and opportunities for parents or guardians that are multicultural, gender fair, and disability sensitive; ~~and~~
- (12) involvement in a district's curriculum advisory committee or a school building team under section 126.666; *and*
- (13) *opportunities for parent involvement in developing, implementing, or evaluating school and district desegregation/integration plans.*

Sec. 34. Minnesota Statutes 1992, section 126.77, subdivision 1, is amended to read:

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, battered women's programs, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, and sexual, racial, and cultural harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and ECSUs;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior; ~~and~~

(8) *opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and*

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Sec. 35. Minnesota Statutes 1992, section 126.78, is amended to read:

126.78 [VIOLENCE PREVENTION EDUCATION GRANTS.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] The commissioner of education, after consulting with the assistant commissioner of the office of drug policy and violence prevention, shall establish a violence prevention education grant program to enable a school district, an education district, or a group of districts that cooperate for a particular purpose to develop and implement *or to continue* a violence prevention program for students in kindergarten through grade 12 that can be integrated into existing curriculum. A district or group of districts that elects to develop and implement *or to continue* a violence prevention program under section 126.77 is eligible to apply for a grant under this section.

Subd. 2. [GRANT APPLICATION.] To be eligible to receive a grant, a school district, an education district, or a group of districts that cooperate for a particular purpose must submit an application to the commissioner in the form and manner and according to the timeline established by the commissioner. The application must describe how the applicant will: (1) *continue or* integrate into its existing K-12 curriculum a program for violence prevention that contains the program components listed in section 126.77; (2) collaborate with local organizations involved in violence prevention and intervention; and (3) structure the program to reflect the characteristics of the children, their families and the community involved in the program. The commissioner may require additional information from the applicant. When reviewing the applications, the commissioner shall determine whether the applicant has met the requirements of this subdivision.

Subd. 3. [GRANT AWARDS.] The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed \$3 per actual pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.

Subd. 4. [GRANT PROCEEDS.] A successful applicant shall use the grant money to develop and implement *or to continue* a violence prevention program according to the terms of the grant application.

Sec. 36. Minnesota Statutes 1992, section 127.27, subdivision 5, is amended to read:

Subd. 5. "Expulsion" means an action taken by a school board to prohibit an enrolled pupil from further attendance for a period that shall not extend beyond ~~the~~ *an amount of time equal to one school year from the date a pupil is expelled.*

Sec. 37. Minnesota Statutes 1992, section 127.31, is amended by adding a subdivision to read:

Subd. 15. [ADMISSION OR READMISSION PLAN.] A school board may prepare and enforce an admission or readmission plan for any pupil who is suspended, excluded or expelled from school. The plan may include measures to improve the pupil's behavior and require parental involvement in the admission or readmission process, and may indicate the consequences to the pupil of not improving the pupil's behavior.

Sec. 38. Minnesota Statutes 1992, section 127.38, is amended to read:

127.38 [POLICIES TO BE ESTABLISHED.]

(a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board shall establish uniform criteria for dismissal and adopt policies and rules in writing to effectuate the purposes of sections 127.26 to 127.39. The policies will emphasize the prevention of dismissal action through early detection of problems. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period and help prepare the pupil for readmission.

(b) *The commissioner shall actively encourage and assist school districts to cooperatively establish alternative learning programs that offer instruction to pupils who are dismissed from school for willfully engaging in dangerous, disruptive, or violent behavior, including for possessing a firearm in a school zone.*

Sec. 39. Minnesota Statutes 1992, section 272.02, subdivision 8, is amended to read:

Subd. 8. [PROPERTY LEASED TO SCHOOL DISTRICTS.] Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

- (1) the lease must be for a period of at least 12 consecutive months;
- (2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;
- (3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12; special education for handicapped children; adult basic ~~and continuing~~ education as described in section 124.26; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and
- (4) the lease must provide that the school district has the exclusive use of the property during the lease period.

Sec. 40. Laws 1993, chapter 224, article 4, section 44, subdivision 6, is amended to read:

Subd. 6. [ADULT GRADUATION AID.] For adult graduation aid:

\$1,827,000 1994

~~\$1,986,000~~ \$2,195,000 1995

The 1994 appropriation includes \$204,000 for 1993 and \$1,623,000 for 1994.

The 1995 appropriation includes \$286,000 for 1994 and ~~\$1,700,000~~ \$1,909,000 for 1995.

In the event that the appropriation in either year is insufficient, the adult graduation aid paid to a school district and to a higher education institution shall be prorated equally.

Sec. 41. Laws 1993, chapter 224, article 4, section 44, subdivision 20, is amended to read:

Subd. 20. [LOCAL COLLABORATIVES.] (a) For grants to local collaboratives according to section 43, subdivisions 2 and 3:

\$5,000,000 1994

\$1,500,000 is for collaborative planning grants.

Up to \$130,000 of the sum listed above is for the legislative coordinating commission for purposes of carrying out the responsibilities under Minnesota Statutes, section 3.873.

Up to \$400,000 is for the office of strategic and long-range planning for development of a statewide children's service database and for staffing the children's cabinet.

Any portion of this sum not spent on planning grants shall be used for implementation grants.

\$3,500,000 is for collaborative implementation grants.

(b) Of the appropriation, \$150,000 is for grants targeted to assist in providing collaborative children's library service programs. To be eligible, a family services or community-based collaborative planning or implementation grant recipient must collaborate with at least one public library and one child or family organization. The public library must involve the regional public library system and multitype library system to which it belongs in the planning and provide for an evaluation of the program.

(c) The amounts appropriated under this subdivision do not cancel but are available until June 30, 1996.

Sec. 42. [EFFECTIVE DATES.]

Section 24 is effective for revenue for fiscal year 1995 and thereafter. Section 41 is effective the day following final enactment.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1993 Supplement, section 124.243, subdivision 8, is amended to read:

Subd. 8. [FUND TRANSFERS.] (a) Money in the account for capital expenditure facilities revenue must not be transferred into any other account or fund, except as specified in this subdivision.

(b) The school board may, by resolution, transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475.

(c) *Each fiscal year, if a district does not have any obligations outstanding under chapter 475, has not levied under section 124.239, subdivision 3 or 5, and has not received revenue under section 124.83, a school board may use up to one-third of its capital expenditure facilities revenue for equipment uses under section 124.244.*

(d) *Notwithstanding paragraph (c), a school board may transfer all or a part of its capital expenditure facilities revenue to its capital expenditure equipment account if:*

(1) the district has only one facility and that facility is less than ten years old; or

(2) the district receives approval from the commissioner to make the transfer.

(d) (e) In considering approval of a transfer under paragraph (e) (d), clause (2), the commissioner must consider the district's facility needs.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] (a) For fiscal years ~~1994 and year~~ 1995, the capital expenditure equipment revenue for each district equals ~~\$63~~ \$66 times its actual pupil units for the school year.

(b) For fiscal years 1996 and later, the capital expenditure equipment revenue for each district equals ~~\$68~~ \$69 times its actual pupil units for the school year.

(c) *Of a district's capital expenditure equipment revenue, \$3 times its actual pupil units for the school year shall be reserved and used according to subdivision 4, paragraph (b).*

Sec. 3. Minnesota Statutes 1992, section 124.244, subdivision 4, is amended to read:

Subd. 4. [USES OF REVENUE.] (a) Capital expenditure equipment revenue may be used only for the following purposes:

(1) to pay capital expenditure equipment related assessments of any entity formed under a cooperative agreement between two or more districts;

(2) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

(3) to purchase or lease *assistive technology* or equipment for instructional programs;

(4) to purchase textbooks;

(5) to purchase *new and replacement* library books; and

(6) to purchase vehicles except those for which a levy is authorized under section 124.226, subdivision 6.

(b) The reserved capital expenditure equipment revenue shall only be used to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(1) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(2) managing student assessment, services, and achievement information required for students with individual education plans; and

(3) other classroom information management needs.

(c) The equipment obtained with reserved revenue shall be utilized, to the greatest extent possible given available funding, on a per instructor or per classroom basis. A school district may supplement its reserved revenue with other capital expenditure equipment revenue, and cash and in-kind grants from public and private sources.

Sec. 4. Minnesota Statutes 1992, section 124.46, subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall maintain a separate school loan bond account in the state bond fund, showing all money transferred to that fund for the payment of school loan bonds and all income received from the investment of such money. On the first day of December in each year there shall be transferred to the bond account all or so much of the money then on hand in the loan repayment account in the maximum effort school loan fund as will be sufficient, with the balance then on hand in said bond account, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. In the event that moneys are not available for such transfer in the full amount required, ~~the state auditor shall levy on all taxable property within the state a tax sufficient to meet the deficiency. Such tax shall be and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The proceeds of this tax are hereby irrevocably appropriated and shall be credited to the state bond fund, but the school loan bond account is appropriated as the primary source of payment of such bonds and interest, and only so much of said tax as may be necessary is appropriated for this purpose. and if any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, ~~if the moneys shall nevertheless~~ be paid out of the general fund in the state treasury according to section 16A.641, and the amount necessary therefor is hereby appropriated; but any such payments shall be reimbursed from the proceeds of taxes levied as required herein, and any such payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient.~~

Sec. 5. Minnesota Statutes 1992, section 124.84, is amended by adding a subdivision to read:

Subd. 4. [LEVY AUTHORITY IN COMBINED DISTRICTS.] *Notwithstanding subdivision 3, a district that has combined or consolidated may levy up to 50 percent times \$300,000 times the number of former districts that*

operated on June 30, 1991, in the area that now makes up the combined or consolidated district. The approved amount is reduced by any amount levied under subdivision 3 in the consolidated or combined district or in the former districts that make up the consolidated or combined district. Levy authority under this subdivision expires at the same time as levy authority under subdivision 3.

Sec. 6. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) insulation of the building structure and systems within the building;

(2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automatic energy control systems;

(4) heating, ventilating, or air conditioning system modifications or replacements;

(5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed 25 15 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

(d) "Commissioner" means the commissioner of public service.

Sec. 7. Minnesota Statutes 1992, section 124.85, subdivision 2, is amended to read:

Subd. 2. [ENERGY EFFICIENCY CONTRACT.] (a) Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

(b) Before entering into a contract under this subdivision, the board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

~~Before installation of equipment, modification, or remodeling, comply with clauses (1) to (5).~~

(1) The board shall seek proposals from multiple qualified providers by publishing notice of the proposed guaranteed energy savings contract in the board's official newspaper and in other publications if the board determines that additional publication is necessary to notify multiple qualified providers.

(2) The school board shall select the qualified provider that best meets the needs of the board. The school board shall provide public notice of the meeting at which it will select the qualified provider.

(3) The contract between the board and the qualified provider must describe the methods that will be used to calculate the costs of the contract and the operational and energy savings attributable to the contract.

(4) The qualified provider shall first issue a report, summarizing estimates to the board giving a description of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates giving detailed calculations of the amounts by which energy or operating costs will be reduced and the projected payback schedule in years.

(5) The board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Sec. 8. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2a. [EVALUATION BY COMMISSIONER.] Upon request of the school board, the commissioner of public service shall review the report required in subdivision 2 and provide an evaluation to the board on the proposed contract within 15 working days of receiving the report. In evaluating the proposed contract, the commissioner shall determine whether the detailed calculations of the costs and of the energy and operating savings are accurate and reasonable. The commissioner may request additional information about a proposed contract as the commissioner deems necessary. If the commissioner requests additional information, the commissioner shall not be required to submit an evaluation to the board within fewer than ten working days of receiving the requested information.

Sec. 9. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2b. [REVIEW OF SAVINGS UNDER CONTRACT.] Upon request of the school board, the commissioner shall conduct a review of the energy and operating cost savings realized under a guaranteed energy savings contract every three years during the period a contract is in effect. The commissioner shall compare the savings realized under the contract during the period under review with the calculations of savings included in the report required under subdivision 2 and provide an evaluation to the board concerning the performance of the system and the accuracy and reasonableness of the claimed energy and operating cost savings.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report and the commissioner's evaluation if requested, ~~the~~ the board finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ~~25~~ 15 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ~~25~~ 15 years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.

Sec. 11. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 5, is amended to read:

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than ~~1/25~~ 1/15 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ~~25-year~~ 15-year term from the date of the first operation.

Sec. 12. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 7. [PUBLIC INFORMATION.] A guaranteed energy savings contract must provide that all work plans and other information prepared by the qualified provider in relation to the project, including a detailed description of the project, are public data after the contract is entered into, except information defined as trade secret information under section 13.37, subdivision 1, shall remain nonpublic data.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 3, is amended to read:

Subd. 3. [POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease

purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

(g) For the purposes of this subdivision, any references in subdivision 1 to building or land shall be deemed to include personal property.

Sec. 14. Minnesota Statutes 1993 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, lease purchase payments under section 124.91, subdivisions 2 and 3, minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 124.2445;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or northeast Minnesota economic protection trust; and

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24; and

(4) obligations under section 124.2455.

(c) For purposes of this section, if a preexisting school district reorganized under section 122.22, 122.23, or 122.241 to 122.248 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting school districts.

Sec. 15. Minnesota Statutes 1992, section 124.95, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the *school year ending in the* year prior to the year the levy is certified; to

(2) 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 16. Minnesota Statutes 1992, section 475.61, subdivision 4, is amended to read:

Subd. 4. [SURPLUS FUNDS.] (a) All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality. However, the amount of any surplus remaining in the debt service fund of a school district when the obligations and interest thereon are paid shall be used to reduce the general education levy authorized pursuant to section 124A.23 and the state aids authorized pursuant to chapters 124, 124A, and 273.

(b) The reduction to state aids equals the lesser of (1) the amount of the surplus times the ratio of the district's debt service equalization aid to the district's debt service equalization revenue for the last year that the district qualified for debt service equalization aid; or (2) the district's cumulative amount of debt service equalization aid.

(c) The reduction to the general education levy equals the total amount of the surplus minus the reduction to state aids.

Sec. 17. Laws 1992, chapter 499, article 11, section 9, is amended to read:

Sec. 9. [LAND TRANSFER.]

Subdivision 1. [PERMITTED.] (a) Notwithstanding Minnesota Statutes, chapters 94 and 103F or any other law to the contrary, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.

or

All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the State of Minnesota or any department or division thereof.

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Subd. 2. [CONSIDERATION.] The consideration for the conveyance permitted by subdivision 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties of \$1.

Subd. 3. [APPROPRIATION.] The proceeds of the sale are appropriated to the department of education for the use of the state academies for whose account the sale is made and may be used for capital improvements at the academies.

Subd. 4. [PURPOSE.] The land permitted to be conveyed under subdivision 1 is to be used as part of a site for an elementary school.

Subd. 4. [TITLE REVERTS TO STATE.] *If the lands described in subdivision 1 are not used for a public purpose, or upon discontinuance of such use, the title for the property shall revert to the state.*

Sec. 18. Laws 1993, chapter 224, article 5, section 43, is amended to read as follows:

Sec. 43. [EXCEPTION TO LEASE LIMIT LEASE SPACE; EDUCATIONAL PURPOSES.]

Subdivision 1. [LEASE SPACE; BONDS.] *The city of Rollingstone may issue revenue bonds in accordance with Minnesota Statutes, chapter 475, except as otherwise provided in this section, to finance the acquisition, construction, and equipping of a facility to be leased for educational purposes.*

Subd. 2. [EXCEPTION TO LEASE LIMIT.] Notwithstanding any law to the contrary, independent school district No. 861, Winona, may enter into an

agreement, for the number of years stated in the agreement, with the city of Rollingstone to lease space for educational purposes.

Subd. 3. [PAYMENTS; LEVY.] (a) The payments required to be made by the district under the agreement described in subdivision 2 are fixed for the term of the agreement, except as otherwise provided therein. Upon approval of the agreement described in subdivision 2 by the commissioner of education and the district, the district may shall levy for as many years as required under the agreement a tax in the amount and at the times necessary to make payments required by the agreement in accordance with Minnesota Statutes, section 475.61. The payments shall be a general obligation of the district and are not subject to Minnesota Statutes, section 475.58.

(b) To obtain approval for the agreement described in subdivision 2 from the commissioner, the district must demonstrate substantial collaboration with the city in the use of the facility. The city must also agree to contribute \$100,000 toward the cost of the education portion of the facility. The amount of the levy shall be annually included in the district's debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of determining the district's debt service equalization aid.

Sec. 19. Laws 1993, chapter 224, article 5, section 46, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

~~\$73,290,000~~ \$73,390,000 1994

~~\$75,980,000~~ \$76,198,000 1995

The 1994 appropriation includes \$10,730,000 for 1993 and ~~\$62,560,000~~ \$62,660,000 for 1994.

The 1995 appropriation includes ~~\$11,040,000~~ \$11,058,000 for 1994 and ~~\$64,940,000~~ \$65,140,000 for 1995.

Sec. 20. Laws 1993, chapter 224, article 5, section 46, subdivision 3, is amended to read:

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

~~\$36,049,000~~ \$36,098,000 1994

~~\$37,390,000~~ \$38,998,000 1995

The 1994 appropriation includes \$5,279,000 for 1993 and ~~\$30,720,000~~ \$30,819,000 for 1994.

The 1995 appropriation includes ~~\$5,430,000~~ \$5,439,000 for 1994 and ~~\$31,960,000~~ \$33,559,000 for 1995.

Sec. 21. Laws 1993, chapter 224, article 5, section 46, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY AID.] (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,260,000 1994

\$18,924,000 1995

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 24.

(c) \$60,000 of each year's appropriation shall be used to contract with the state fire marshal to provide services under Minnesota Statutes, section 121.502. This amount is in addition to the amount for this purpose in article 11.

(d) For fiscal year 1995, the sum of total health and safety revenue and levies under section 3 may not exceed \$64,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. *In addition to the criteria developed by the state board of education, for any health and safety revenue authority that is redistributed, the commissioner shall place highest priority on asbestos abatement and removal projects in cases where school districts will lose federal funds or federal loans if the projects are not started or continued in fiscal year 1995 and second highest priority on fire code compliance projects for special school district No. 6, South St. Paul. The commissioner may request documentation as necessary from school districts for the purpose of reestablishing health and safety revenue priorities.*

(e) Notwithstanding section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount ~~and~~, the projected deficit in the appropriation for debt service aid, ~~and the amount of the transfer must be determined and the transfer made~~ as of November 1, 1994 1993. *The projections and the amount of the transfer may be revised to reflect corrected data as of June 1, 1994. The transfer must be made as of July 1, 1994.* The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committees of the house of representatives and senate.

Sec. 22. [NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE.]

Notwithstanding the revenue limitation in Laws 1991, chapter 265, article 5, section 24, subdivision 4, for independent school district No. 319, Nashwauk-Keewatin, the full amount of authority for health and safety projects approved by the commissioner of education may be expended in fiscal year 1993, 1994, or 1995.

Sec. 23. [NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE USE VARIANCE.]

Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, upon approval of the commissioner of education, independent school district No.

319, Nashwauk-Keewatin, may use its health and safety revenue in fiscal years 1994 and 1995 to relocate its vocational center to a Nashwauk-Keewatin high school garage.

Sec. 24. [CASS LAKE; CAPITAL LOAN CONTRACT DEADLINE EXTENSION.]

Notwithstanding Minnesota Statutes 1993 Supplement, section 124.431, subdivision 1, for a capital loan granted to independent school district No. 115, Cass Lake, contracts must be entered into within 42 months after the date on which the loan is granted.

Sec. 25. [FLOODWOOD.]

Subdivision 1. [HEALTH AND SAFETY REVENUE EXPENDITURE.] Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, independent school district No. 698, Floodwood, may expend health and safety revenue for the construction of new facilities.

Subd. 2. [FUND TRANSFER.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 124.243, subdivision 8, or any other law, independent school district No. 698, Floodwood, may permanently transfer any amount from its health and safety and facilities accounts in its capital expenditure fund to its building construction fund.

Subd. 3. [DATE OF TRANSFER.] Independent school district No. 698, Floodwood, may make the fund transfer according to subdivision 2 only after the school district has held a successful referendum for the sale of bonds according to the provisions of Minnesota Statutes, chapter 475.

Sec. 26. [INDEPENDENT SCHOOL DISTRICT NO. 518, WORTHINGTON.]

Subdivision 1. [BOND AUTHORITY.] To provide funds for the construction of facilities to meet the educational and residential needs of adolescents attending the Lakeview school for whom independent school district No. 518, Worthington, has the responsibility of providing services, independent school district No. 518, Worthington, may, by two-thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1994 and 1995 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar years 1994 and 1995 may not exceed \$2,600,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. If the school board proposes to issue bonds under this section, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the county of Nobles. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to ten percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If a petition is filed, no bonds shall be issued under this section unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The

commissioner of education shall not approve the sale of bonds by independent school district No. 518, Worthington, until the school district can demonstrate to the commissioner's satisfaction that appropriate department of human services approval, including licensure, will be granted.

Subd. 2. [DEBT SERVICE.] Independent school district No. 518, Worthington, shall include the yearly debt service amounts in its required debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of receiving debt service equalization aid. The district may add the portion of the debt service levy remaining after equalization aid is paid to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. If, for any reason, the receipt of payments from resident districts and debt service equalization aid attributable to this debt service is not sufficient to make the required debt service payments, the district may levy under subdivision 3.

Subd. 3. [LEVY AUTHORITY.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 518, Worthington, shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay any portion of the principal of and interest on the bonds that is not paid through the receipt of debt service equalization aid and tuition payments under subdivision 2. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 27. [INCREASE IN AUTHORIZATION.]

Notwithstanding any other law to the contrary, the approved amount of indebtedness authorized by the electors of independent school district No. 38, Red Lake, on December 10, 1991, may be increased by resolution of the board of directors of independent school district No. 38, Red Lake, from \$9,926,070 to an amount not to exceed \$10,075,000.

Sec. 28. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [PLANNING GRANT.] For a grant to independent school district Nos. 325, Lakefield; 328, Sioux Valley; 330, Heron Lake-Okabena; 513, Brewster; and 516, Round Lake acting as a joint powers agreement:

\$100,000 1995

The grant is to cover costs associated with planning for facility needs for a combined district. The facilities must provide for the location of a significant number of noneducational student and community service programs within the facility.

Subd. 3. [COLLABORATION PLANNING GRANT, EAST CENTRAL SCHOOL.] For a planning grant to independent school district No. 2580, East Central, to plan for a facility to house an area learning center and a family and children's service center for northern Pine county:

\$50,000 1994

This appropriation is available until June 30, 1995.

The department must provide technical assistance. The planning must address facility size and location, methods of financing, and the types of services that would be provided. The local governments planning this facility must provide a match of \$1 for every \$2 of this appropriation. The local match may be in-kind resources.

Subd. 4. [PLANNING GRANT; ELEMENTARY SCHOOL.] For a grant and administrative expenses to facilitate a joint elementary facility for independent school district Nos. 622, North St. Paul-Maplewood; 833, South Washington County; and 834, Stillwater.

\$100,000 1995

The planning grant must be used to plan a joint elementary facility that is continuous progress, performance-based, collaboratively developed, and operated year-round. The districts must report to the education committees of the legislature on the progress of the project by March 1, 1995.

Sec. 29. [EFFECTIVE DATE.]

Section 24 is effective retroactive to July 1, 1993. Sections 13; 18 to 21; 27; and 28 are effective the day following final enactment. Section 1 is effective July 1, 1995.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1993 Supplement, section 121.931, subdivision 5, is amended to read:

Subd. 5. [SOFTWARE DEVELOPMENT.] The commissioner shall provide for the development of applications software for ESV-IS and SDE-IS. The commissioner may charge school districts or ~~regional organizations~~ *cooperative units* for the actual cost of software development used by the district or ~~regional entity~~ *cooperative unit*. Any amount received is annually appropriated to the department of education for this purpose. *A school district or cooperative unit may not implement a payroll, student, or staff software system after June 30, 1994, until the system has been reviewed by the department to ensure that it provides the required data elements and format.*

Sec. 2. Minnesota Statutes 1992, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and ~~the district's proportionate share of outstanding regional obligations, as defined in section 475.51, for computer hardware.~~ If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional obligation. The district is not liable for any additional outstanding regional obligations that occur after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state.

Sec. 3. Minnesota Statutes 1992, section 122.23, subdivision 6, is amended to read:

Subd. 6. The ~~state board~~ *commissioner* shall, upon receipt of a plat, forthwith examine it and approve, modify or reject it. The ~~state board~~ *commissioner* shall also approve or reject any proposal contained in the resolution or petition regarding the disposition of the bonded debt of the component districts. If the plat shows the boundaries of proposed separate election districts and if the ~~state board~~ *commissioner* modifies the plat, the ~~state board~~ *commissioner* shall also modify the boundaries of the proposed separate election districts. ~~Prior thereto the state board or a member thereof or~~ The ~~commissioner or assistant commissioner as designated by the state board~~ shall conduct a hearing at the nearest county seat in the area upon reasonable notice to the affected districts and county boards if requested within 20 days after submission of the plat. Such a hearing may be requested by the board of any affected district, a county board of commissioners, or the petition of 20 resident voters living within the area proposed for consolidation. The ~~state board~~ *commissioner* shall endorse on the plat ~~its~~ action regarding any proposal for the disposition of the bonded debt of component districts and ~~its~~ the reasons for ~~its~~ these actions and within 60 days of the date of the receipt of the plat, ~~it~~ the *commissioner* shall return it to the county auditor who submitted it. The ~~state board~~ *commissioner* shall furnish a copy of that plat, and the supporting statement and its endorsement to the auditor of each county containing any land area of the proposed new district. If land area of a particular county was included in the plat, as submitted by the county auditor, and all of such land area is excluded in the plat as modified and approved, the ~~state board~~ *commissioner* shall also furnish a copy of the modified plat, supporting statement, and ~~its~~ any endorsement to the auditor of such county.

Sec. 4. Minnesota Statutes 1992, section 122.23, subdivision 8, is amended to read:

Subd. 8. The board of any independent district maintaining a secondary school, the board of any common district maintaining a secondary school, all or part of whose land is included in the proposed new district, shall, within 45 days of the approval of the plat by the ~~state board~~ *commissioner*, either adopt or reject the plan as proposed in the approved plat. If the board of any such district entitled to act on the petition rejects the proposal, the proceedings are terminated and dismissed. If any board fails to act on the plat within the time allowed, the proceedings are terminated.

Sec. 5. Minnesota Statutes 1992, section 122.23, subdivision 10, is amended to read:

Subd. 10. If an approved plat contains land area in any district not entitled to act on approval or rejection of the plat by action of its board, the plat may be approved by the residents of the land area within 60 days of approval of plat by the ~~state board~~ *commissioner* in the following manner:

A petition calling upon the county auditor to call and conduct an election on the question of adoption or rejection of the plat may be circulated in the land area by any person residing in the area. Upon the filing of the petition with the county auditor, executed by at least 25 percent of the eligible voters in each district or part of a district contained in the land area, the county auditor shall forthwith call and conduct a special election of the electors resident in the whole land area on the question of adoption of the plat. For the purposes of this section, the term "electors resident in the whole land area" means any

person residing on any remaining portion of land, a part of which is included in the consolidation plat. Any eligible voter owning land included in the plat who lives upon land adjacent or contiguous to that part of the voter's land included in the plat shall be included and counted in computing the 25 percent of the eligible voters necessary to sign the petition and shall also be qualified to sign the petition. Failure to file the petition within 60 days of approval of the plat by the ~~state board~~ *commissioner* terminates the proceedings.

Sec. 6. Minnesota Statutes 1992, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the change. The effective date shall be July 1 of ~~an odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a the year determined by the school board in the original resolution adopted under subdivision 2.~~ The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The school board shall similarly notify the county auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 7. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 20. [RETIREMENT INCENTIVES.] (a) For consolidations effective July 1, 1994, and thereafter, a school board of a district may offer early retirement incentives to licensed and nonlicensed staff. The early retirement incentives that the board may offer are:

(1) the payment of employer pension plan contributions for a specified period of allowable service credit for district employees who have at least ten years of allowable service credit in the applicable pension plan under paragraph (b);

(2) an extended leave of absence for an eligible employee under section 125.60;

(3) severance payment incentives under paragraph (c); and

(4) the employer payment of the premiums for continued health insurance coverage under paragraph (d).

These incentives may only be offered to employees who terminate active employment with the school district or who enter into an extended leave of absence as a result of the consolidation, whichever applies. The board may determine the staff to whom the incentives are offered. Unilateral implementation of this section by a school board is not an unfair labor practice under chapter 179A.

(b) An employee with at least ten years of allowable service credit in the applicable pension plan who is offered an early retirement incentive under paragraph (a), clause (1), may purchase up to five additional years of

allowable service credit from the applicable pension plan. To do so, the former employee must pay the member contributions to the pension plan annually in a manner and in accord with a schedule specified by the executive director of the applicable fund. If the former employee makes the member contribution, the board shall make the applicable employer contribution. The salary used to determine these contributions is the salary of the person in the last year that the former employee was employed by the district. During the period of continuing member and employer contributions, the person is not considered to be an active member of the applicable pension plan, is not eligible for any active member disability or survivorship benefit coverage, and is not included in any postemployment termination benefit plan changes unless the applicable benefit legislation provides otherwise. Continued eligibility to purchase service credit under this paragraph expires if the person is subsequently employed during the service purchase period by a public employer with retirement coverage under a pension plan specified in section 356.30, subdivision 3.

(c) Severance payment incentives must conform with sections 465.72, 465.721, and 465.722.

(d) The board may offer a former employee continued employer-paid health insurance coverage. Coverage may not extend beyond age 65 or the end of the first month in which the employee is eligible for employer-paid health insurance coverage from a new employer. For purposes of this subdivision, "employer-paid health insurance coverage" means medical, hospitalization, or health insurance coverage provided through an insurance company that is licensed to do business in the state and for which the employing unit pays more than one-half of the cost of the insurance premiums.

(e) A school board may offer these incentives beginning on the day that the consolidation is approved under section 122.23, subdivision 12 or, if an election is not called under section 122.23, subdivision 9 or 10, on the day that the plat is approved by the commissioner. A board may offer these incentives until the June 30 following the effective date of the consolidation.

Sec. 8. Minnesota Statutes 1992, section 122.531, subdivision 9, is amended to read:

Subd. 9. [LEVY FOR SEVERANCE PAY OR EARLY RETIREMENT INCENTIVES.] The school board of a newly created or enlarged district, to which part or all of a dissolved district was attached according to section 122.22 or 122.23, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of education approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.

Sec. 9. Minnesota Statutes 1992, section 122.533, is amended to read:

122.533 [EXPENSES OF TRANSITION.]

The newly elected board of a newly created district pursuant to section 122.23 or the board of a district to which a dissolved district is attached pursuant to section 122.22, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter

into agreements with banks or any person to take its orders at any rate of interest not to exceed seven percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the ~~consolidation or dissolution and attachment~~. Notwithstanding the provisions of sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411, the district may, in the year the ~~consolidation or dissolution and attachment~~ becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.

Sec. 10. [122.98] [COOPERATIVE UNIT INSURANCE POOLS.]

Any cooperative unit defined in section 123.35, subdivision 19b, that directly manages a health insurance pool or provides health insurance coverage through an insurance pool as a service to members must create a labor-management committee representative of the groups covered by the pool to advise the governmental unit on management matters of the coverage.

Sec. 11. Minnesota Statutes 1992, section 123.35, subdivision 19a, is amended to read:

Subd. 19a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by any type of formal or informal agreement, including a joint powers agreement, or ~~otherwise~~ *membership in any cooperative unit defined in subdivision 19b, paragraph (d), to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year, or the time period set forth in this subdivision.* Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year ~~or~~, *except that for a member of an education district organized under sections 122.91 to 122.95 or an intermediate district organized under chapter 136D, cessation or withdrawal shall be effective June 30 of the following fiscal year.* At the option of the school board, *cessation or withdrawal may be effective June 30 of the following fiscal year for a district participating in any type of agreement.*

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the

bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to terminate participation in the agreement.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 12. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 19b. [WITHDRAWING FROM COOPERATIVE.] If a school district withdraws from a cooperative unit defined in paragraph (d), the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(a) The withdrawing district remains responsible for its share of debt incurred by the cooperative unit according to subdivision 19a. The school district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets and the assignment of liabilities.

(b) If the cooperative unit and the school district cannot agree on the terms and conditions, the commissioner of education shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. The

assets shall be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(c) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (b) of this section.

(d) For the purposes of this section, a cooperative unit is:

- (1) an education district organized under sections 122.91 to 122.95;*
- (2) a cooperative vocational center organized under section 123.351;*
- (3) an intermediate district organized under chapter 136D;*
- (4) an educational cooperative service unit organized under section 123.58;*
- (5) a regional management information center organized under section 121.935 or as a joint powers district according to section 471.59.*

Sec. 13. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 21. [APPEAL TO COMMISSIONER.] If a cooperative unit as defined in subdivision 19b, paragraph (d), denies membership in the unit to a school district, the school district may appeal to the commissioner of education. The commissioner may require the cooperative unit to grant the district membership.

Sec. 14. Minnesota Statutes 1993 Supplement, section 123.351, subdivision 8, is amended to read:

Subd. 8. [ADDITION AND WITHDRAWAL OF DISTRICTS.] Upon approval by majority vote of a school board, *and of the center board, and of the commissioner*, an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the next following school year but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 15. Minnesota Statutes 1992, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are ~~designated~~ *established*. Each unit, ~~should it become operational~~, shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

(i) (1) development regions one and two shall be combined to form a single ECSU;

(ii) (2) development regions six east and six west shall be combined to form a single ECSU;

(iii) (3) development regions seven east and seven west shall be combined to form a single ECSU.

(b) The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

(c) The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.

(d) Notwithstanding paragraphs (a), (b), and (c), a school district may become a full member of an ECSU other than the one in which its central administrative office is located if the district is a member of an education district or a participant in another cooperative agreement, and more than half of the member districts of the education district or participants in the cooperative agreement are members of another ECSU.

(e) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.

(f) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section.

Sec. 16. Minnesota Statutes 1992, section 123.58, subdivision 4, is amended to read:

Subd. 4. [MEMBERSHIP AND PARTICIPATION.] Full membership in an ECSU shall be limited to public school districts of the state but nonvoting associate memberships shall be available to nonpublic school administrative units within the ECSU. A school district may belong to one or more ECSUs. Participation in programs and services provided by the ECSU shall be discretionary. No school district shall be compelled to participate in these services under authority of this section. However, all school districts whose central administrative offices are within that ECSU whose boundaries coincide with those of development region 11 shall participate in the planning and planning research functions of that ECSU. All of the members of an education district shall belong to the same ECSU, if any members belong to an ECSU. No planning or planning research decision of that ECSU shall be binding on these region 11 districts. Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.

Sec. 17. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF ECSU BOARD OF DIRECTORS.] The board of directors shall have authority to maintain and operate an ECSU. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit ~~within 90 days after the filing of the initial petition with the state board of education~~ and by June 1 of each year thereafter to the commissioner and to each participating school district an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the educational needs of the ECSU. In formulating the plan the board is encouraged to consider: (1) the number of dropouts of school age in the ECSU area and the reasons for the dropouts; (2) existing programs within participating districts for dropouts and potential dropouts; (3) existing programs of the ECSU for dropouts and potential dropouts and (4) program needs of dropouts and potential dropouts in the area served by the ECSU.

(b) The ECSU board of directors may provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise, subject to the review of the commissioner as to the adequacy of the facilities proposed.

(c) The ECSU board of directors may employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. ECSU staff and personnel may participate in retirement programs, and any other programs available to public school staff and personnel.

(d) The ECSU board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents and lay persons.

(e) The ECSU board of directors may employ service area personnel pursuant to licensure standards developed by the state board and the board of teaching.

(f) The ECSU board of directors may enter into contracts with school boards of local districts including school districts outside the ECSU area.

(g) The ECSU board of directors may enter into contracts with other public and private agencies and institutions which may include, but are not limited to, contracts with Minnesota institutions of higher education to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The ECSU board of directors shall exercise all powers and carry out all duties delegated to it by participating local school districts under provisions of the ECSU bylaws. The ECSU board of directors shall be governed, when not otherwise provided, by the provisions of law applicable to independent school districts of the state.

(i) The ECSU board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the school districts and nonpublic school administrative units within the ECSU and the commissioner

by September 1 of each year following the school year in which the program and services were provided.

(j) The ECSU board is encouraged to establish cooperative, working relationships with post-secondary educational institutions in the state.

Sec. 18. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 7, is amended to read:

Subd. 7. [APPOINTMENT OF AN ADVISORY COUNCIL.] There shall be an advisory council selected to give advice and counsel to the ECSU board of directors. This council shall be composed of superintendents, central office personnel, principals, teachers, parents, and lay persons. Nonpublic school administrative units are encouraged to participate on the council to the extent allowed by law. ~~A plan detailing procedures for selection of membership in this council shall be submitted by the ECSU board of directors to the commissioner.~~

Sec. 19. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 8, is amended to read:

Subd. 8. [EDUCATIONAL PROGRAMS AND SERVICES.] ~~Pursuant to subdivision 6, and rules of the state board of education,~~ The board of directors of each ~~operational~~ ECSU shall submit annually a plan to the public school districts ~~and nonpublic school administrative units within the ECSU, the nonpublic school administrative units, and the commissioner.~~ The plan shall identify the programs and services which are suggested for implementation by the ECSU during the following school year and shall contain components of long range planning determined by the ECSU ~~in cooperation with the commissioner and other appropriate agencies. The commissioner may review and recommend modification of the proposed plan and conduct ongoing program reviews.~~ These programs and services may include, but are not limited to, the following areas:

- (a) Administrative services and purchasing
- (b) Curriculum development
- (c) Data processing
- (d) Educational television
- (e) Evaluation and research
- (f) In-service training
- (g) Media centers
- (h) Publication and dissemination of materials
- (i) Pupil personnel services
- (j) Regional planning, joint use of facilities, and flexible and year-round school scheduling
- (k) Secondary, post-secondary, community, adult, and adult vocational education
- (l) Individualized instruction and services, including services for students with special talents and special needs

- (m) Teacher personnel services
- (n) Vocational rehabilitation
- (o) Health, diagnostic, and child development services and centers
- (p) Leadership or direction in early childhood and family education
- (q) Community services
- (r) Shared time programs.

Sec. 20. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 9, is amended to read:

Subd. 9. [FINANCIAL SUPPORT FOR THE EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) Financial support for ECSU programs and services shall be provided by participating local school districts and nonpublic school administrative units with private, state and federal financial support supplementing as available. The ECSU board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district and nonpublic school administrative unit its proportionate share of any and all expenses. This share shall be based upon the extent of participation by each district or nonpublic school administrative unit and shall be in the form of a service fee. Each participating district and nonpublic school administrative unit shall remit its assessment to the ECSU board as provided in the ECSU bylaws. The assessments shall be paid within the maximum levy limitations of each participating district. No participating school district or nonpublic school administrative unit shall have any additional liability for the debts or obligations of the ECSU except that assessment which has been certified as its proportionate share or any other liability the school district or nonpublic school administrative unit ~~agrees to assume~~ *assumes under section 123.35, subdivision 19b.*

(b) Any property acquired by the ECSU board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state or political subdivision thereof. If the ECSU is dissolved, its property must be distributed to the member public school districts at the time of the dissolution.

(c) A school district or nonpublic school administrative unit may elect to withdraw from participation in the ECSU by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the ECSU organizational agreement. ~~Upon receipt of the withdrawal resolution reciting the necessary facts, the ECSU board shall file a certified copy with the commissioner.~~ The withdrawal shall be effective on the June 30 following receipt by the board of directors of written notification of the withdrawal ~~at least six months prior to June 30 by February 1 of the same year.~~ Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing school district or nonpublic school administrative unit for the ECSU shall be paid to the ECSU board.

(d) ~~Notwithstanding paragraph (c), if a member school district of an education district withdraws from an ECSU to comply with subdivision 4, the school district's withdrawal is effective on June 30, following receipt by the board of directors of the district's written notification.~~

(e) The ECSU is a public corporation and agency and its board of directors may make application for, accept and expend private, state and federal funds that are available for programs of educational benefit approved by the commissioner in accordance with rules adopted by the state board of education pursuant to chapter 14. The commissioner shall not distribute special state aid or federal aid directly to an ECSU in lieu of distribution to a school district within the ECSU which would otherwise qualify for and be entitled to this aid without the consent of the school board of that district.

(f) (e) The ECSU is a public corporation and agency and as such, no earnings or interests of the ECSU may inure to the benefit of an individual or private entity.

Sec. 21. Minnesota Statutes 1993 Supplement, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year state aids and credits enumerated in subdivision 2 payable to any school district, ~~education district, or secondary vocational cooperative~~ for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, ~~education district, or secondary vocational cooperative~~ recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4e,~~ minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4e.~~ For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4e,~~ shall not include any amount levied pursuant to sections 124.226, subdivision 9, 124.912, subdivisions 2, 3, and 5, or a successor provision only for those districts affected, 124.916, subdivisions 1 and 2, 124.918, subdivision 6, and 124A.03, subdivision 2; and Laws 1992, chapter 499, articles 1, section 20, and 6, section 36. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 22. [124.193] [PROHIBITED AID AND LEVIES.]

Unless specifically permitted in the provision authorizing an aid or a levy, cooperative units of government defined in section 123.35, subdivision 19b, paragraph (d), are prohibited from making a property tax levy or qualifying for or receiving any form of state aid.

Sec. 23. [124.2726] [CONSOLIDATION TRANSITION REVENUE.]

Subdivision 1. [ELIGIBILITY AND USE.] A school district that has been reorganized under section 122.23 and has not received revenue under section 124.2725 is eligible for consolidation transition revenue. Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue may only be used according to this section. Revenue must initially be used for the payment of district costs for the early retirement incentives granted by the district under section 122.23, subdivision 20. Any revenue under subdivision 2 remaining after the payment of district costs for the early retirement incentives must be used to reduce operating debt as defined in section 121.915. Any additional aid remaining after the reduction

of operating debt must be deposited in the district's general fund. Revenue received under this section shall not be included in the determination of the reduction under section 124A.26, subdivision 1.

Subd. 2. [AID.] Consolidation transition aid is equal to \$200 times the number of actual pupil units in the newly created district in the year of consolidation and \$100 times the number of actual pupil units in the first year following the year of consolidation. The number of pupil units used to calculate aid in either year shall not exceed 1,000.

Subd. 3. [LEVY.] If the aid available in subdivision 2 is insufficient to cover the costs of the district under section 122.23, subdivision 20, the district may levy the difference over a period of time not to exceed three years.

Subd. 4. [NEW DISTRICTS.] If a district consolidates with another district that has received consolidation transition aid within six years of the effective date of the new consolidation, only the pupil units in the district not previously reorganized shall be counted for aid purposes under subdivision 2. If two districts consolidate and both districts received aid under subdivision 2 within six years of the effective date of the new consolidation, only one quarter of the pupil units in the newly created district shall be used to determine aid under subdivision 2.

Sec. 24. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. [DISTRICT COOPERATION REVENUE.] A district's cooperation revenue is equal to the greater of \$50 \$67 times the actual pupil units or \$25,000.

Sec. 25. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6d, is amended to read:

Subd. 6d. [REVENUE USES.] (a) A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

(b) A district that is was a member of an intermediate school district organized pursuant to chapter 136D ~~may not access revenue under this section on July 1, 1994, must place its district cooperation revenue in a reserved account and must allocate a portion of the reserved revenue for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The allocated amount is equal to the levy made according to section 124.2727, subdivision 6, for taxes payable in 1994 divided by the actual pupil units in the intermediate school district for fiscal year 1995 times the number of actual pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and service must meet the requirements established in an articulation agreement developed between the state board of education and the higher education board.~~

(c) A district that was not a member of an intermediate district organized

under chapter 136D on July 1, 1994, must spend at least \$9 per pupil unit of its district cooperation revenue on secondary vocational programs.

Sec. 26. Minnesota Statutes 1993 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 9. [PRORATION.] (a) If the total appropriation available for district cooperation aid for any fiscal year, plus any amount transferred under section 124.14, subdivision 7, is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's district cooperation revenue according to the calculations in paragraphs (b) to (d).

(b) If there is insufficient district cooperation aid available, the department must recompute the district cooperation revenue by proportionally reducing the formula allowance and the revenue minimum to the levels that result in an aid entitlement, adjusted by the percentage in section 124.195, subdivision 10, equal to the amount available. The levy amounts must not be recomputed.

(c) A district's proration aid reduction is equal to the lesser of zero, or the difference of the existing aid calculation minus the aid amount computed for the district under paragraph (b).

(d) If a district's proration aid reduction is less than its revenue reduction, its district cooperation levy authority for the following year must be reduced by the amount of the difference between its revenue reduction and its aid reduction.

Sec. 27. [124.2728] [SPECIAL CONSOLIDATION AID.]

Subdivision 1. [ELIGIBILITY.] A school district that reorganizes under section 122.23 or sections 122.241 to 122.248 effective on or after July 1, 1994, is eligible for special consolidation aid under this section. A district may receive aid under this section for only three years.

Subd. 2. [AID CALCULATION.] Special consolidation aid for a reorganized school district is calculated by computing the sum of:

(1) the difference between the total amount of early childhood family education revenue under section 124.2711 available to the districts involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of early childhood family education revenue available to the reorganized district in the current year; and

(2) the difference between the total amount of community education revenue under section 124.2713 available to the districts involved in the reorganization in the fiscal year prior to the reorganization and the maximum amount of community education revenue available to the reorganized district in the current year.

Subd. 3. [AID AMOUNT.] In the fiscal year that the reorganization is effective, special combination aid is equal to the aid calculated under subdivision 2 times 100 percent. In the fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 67 percent. In the second fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 33 percent.

Sec. 28. Minnesota Statutes 1993 Supplement, section 124.83, subdivision 1, is amended to read:

Subdivision 1, [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue for any fiscal year a district, ~~including an intermediate district,~~ must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, per building, of the program by fiscal year.

Sec. 29. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 5, is amended to read:

Subd. 5. [INTERACTIVE TELEVISION.] (a) A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, and ten may apply to the commissioner of education for ITV revenue up to the greater of .5 percent of the adjusted net tax capacity of the district or \$25,000 for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 1 shall apply to the revenue in this subdivision. In granting the approval, the commissioner must consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

(b) To obtain ITV revenue, a district may levy an amount not to exceed the district's ITV revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year ~~prior to the year to which the levy is certified~~ attributable; to

(2) 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

(c) A district's ITV aid is the difference between its ITV revenue and the ITV levy.

(d) *The revenue in the first year after reorganization for a district that has reorganized under section 122.22, 122.23, or 122.241 to 122.247 shall be the greater of:*

(1) *the revenue computed for the reorganized district under paragraph (a), or*

(2)(i) *for two districts that reorganized, 75 percent of the revenue computed as if the districts involved in the reorganization were separate, or*

(ii) *for three or more districts that reorganized, 50 percent of the revenue computed as if the districts involved in the reorganization were separate.*

Sec. 30. Minnesota Statutes 1993 Supplement, section 124C.60, is amended to read:

124C.60 [CAPITAL FACILITIES AND ~~EQUIPMENT~~ GRANTS FOR COOPERATION AND COMBINATION.]

Subdivision 1. [ELIGIBILITY.] Two or more districts that have a ~~cooperation and combination plan approved by the state board of education consolidated under section 122.23 or combined under section 122.242~~ sections 122.241 to 122.248, ~~may apply~~ are eligible for a capital facilities grant of up to \$100,000 under this section. ~~The grant must be awarded after the districts combine according to sections 122.241 to 122.248.~~ To qualify the following criteria must be met:

(1) the proposed facility changes are part of the plan according to section 122.242, subdivision 10, or the plan adopted by the reorganized district according to section 124.243, subdivision 1;

(2) the changes proposed to a facility must be needed to accommodate changes in the educational program due to the reorganization;

(3) the utilization of the facility for educational programs is at least 85 percent of capacity; and

(4) the grant will be used only to remodel or improve existing facilities.

Subd. 2. [PROCEDURES.] The state board shall establish procedures and deadlines for the grant application. The state board shall review each application and may require modifications consistent with sections 122.241 to 122.248.

Subd. 3. [USE OF GRANT MONEY.] The grant money may be used for any capital expenditures specified in section 124.243 ~~or 122.124~~, subdivision 6, clauses (4), (6), (7), (8), (9), and (10).

Sec. 31. Minnesota Statutes 1992, section 136D.281, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 32. Minnesota Statutes 1992, section 136D.741, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 33. Minnesota Statutes 1992, section 136D.88, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 34. Laws 1992, chapter 499, article 6, section 34, subdivision 2, is amended to read:

Subd. 2. The authority in subdivision 1 expires if the members of the joint school district have not combined according to Minnesota Statutes 1990, section 122.244, by July 1, ~~1996~~ 1997.

Sec. 35. Laws 1993, chapter 224, article 6, section 30, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

~~\$3,516,000~~ \$3,848,000 1994

~~\$3,979,000~~ \$3,647,000 1995

The 1994 appropriation includes \$591,000 for 1993 and ~~\$2,925,000~~ \$3,257,000 for 1994.

The 1995 appropriation includes ~~\$516,000~~ \$574,000 for 1994 and ~~\$3,463,000~~ \$3,073,000 for 1995.

Sec. 36. [VERDI DEBT.]

Subdivision 1. [REDISTRIBUTION OF VERDI ASSETS AND LIABILITIES.] The commissioner of education shall revise the initial order for the distribution of assets and liabilities issued under Minnesota Statutes, section 122.22, subdivision 20, in the dissolution of former independent school district No. 408, Verdi. The revised order shall specify that an amount equal to the sum of clauses (1) and (2) shall be distributed to independent school districts No. 404, Lake Benton, and No. 583, Pipestone, in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

(1) the reorganization operating debt in the former Verdi district as calculated under Minnesota Statutes, section 121.915; and

(2) the cost of removing the two underground storage tanks from the school building site in the former Verdi district minus the sum of the proceeds from the sale of the site and building and reimbursements related to removing the tanks.

Subd. 2. [DISTRICTS MAY LEVY FOR DEBT.] The Lake Benton and Pipestone school districts may levy according to Minnesota Statutes, section 122.531 for the amount calculated under subdivision 1. The districts may direct the county auditors to spread the levy only upon property within the boundaries of the former Verdi school district.

Subd. 3. [AID ADJUSTMENT.] The commissioner shall subtract an amount equal to the overpayment of state aids to the former Verdi district from the Lake Benton and Pipestone school districts in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

Subd. 4. [AID TRANSFER.] By December 31, 1995, the Pipestone school district shall transfer to the Lake Benton school district any portion of the amount calculated under subdivision 1 that is attributable to the Pipestone district and that has been paid by the Lake Benton district.

Sec. 37. [DISTRICT COOPERATION HOLD HARMLESS AID.]

For fiscal year 1995, the cooperation hold harmless aid for a district that was a member of intermediate school district No. 287 is equal to the cooperation formula allowance times the fiscal year 1994 pupil units less the district cooperation revenue for fiscal year 1995.

The cooperation formula allowance is equal to the sum of the amounts in clauses (1) to (3):

(1) the average per pupil allocation of the regional reporting subsidy grant under Minnesota Statutes 1992, section 121.935, subdivision 5, received in

fiscal year 1994 by the regional management information center to which the district belonged in fiscal year 1994;

(2) the average per pupil allocation of state aid according to Laws 1993, chapter 224, article 6, section 30, subdivision 3, received by the ECSU in which the district was a full member in fiscal year 1994; and

(3) the average per pupil allocation of the intermediate district levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994.

Sec. 38. [FIRST YEAR OF COOPERATION SPECIFIED.]

For the purpose of receiving additional cooperation and combination aid under Minnesota Statutes, section 124.2725, subdivision 6, the first year of cooperation for independent school districts No. 427, Winsted, No. 880, Howard Lake-Waverly, No. 341, Atwater, No. 461, Cosmos, and No. 464, Grove City, is fiscal year 1995.

Sec. 39. [UNDERLEVY AND RECOGNITION.]

Notwithstanding Minnesota Statutes, section 124.2727, subdivision 6c, for district cooperation revenue for fiscal year 1995, a district's aid shall not be reduced if it does not levy the full amount permitted. Notwithstanding Minnesota Statutes, section 124.918, subdivision 6, the full amount of school district cooperation levy attributable to fiscal year 1995 shall be recognized in fiscal year 1995.

Sec. 40. [OSLO SCHOOL DISTRICT DISSOLUTION.]

If a consolidation vote under Minnesota Statutes, section 122.23, involving independent school district No. 442, Oslo, and independent school district No. 2163, Warren-Alvarado, held prior to June 1, 1994, fails in either of the districts, the Oslo district may dissolve under this section. The dissolution shall occur following the adoption of a resolution by the board calling for the dissolution and shall be effective July 1, 1994. The commissioner of education shall by order determine the plat and the allocation of property, assets, and liabilities, including any outstanding bonded indebtedness, to neighboring districts. The commissioner shall consider the best educational interests of the students in each of the districts in making the determination. The order may be amended as necessary. The commissioner shall inform the county auditors in the affected counties of the order. Any referendum levy in the district expires. The school districts to which the district is attached may levy under other provisions of law that would otherwise apply if the district had dissolved under Minnesota Statutes, section 122.22.

The school board of the district to which the dissolved district is attached may determine how a levy to eliminate reorganization debt is spread under Minnesota Statutes, section 122.531, subdivision 4a, paragraph (b). Notwithstanding Minnesota Statutes, section 122.531, subdivision 2, referendum revenue in the enlarged district does not cancel unless otherwise scheduled to expire. The commissioner shall recompute the referendum tax rate or per pupil amount, as applicable, to raise the same amount of revenue in the enlarged district as would have been raised had the dissolution not occurred. Minnesota Statutes, sections 122.531, subdivision 4a, and 122.532 shall apply to the dissolution.

Sec. 41. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [CONSOLIDATION AID.] For consolidation aid according to section 124.2726:

\$430,000 1995

The appropriation is based on an entitlement of \$505,000 for fiscal year 1995.

Subd. 3. [TRANSITION AID FOR INFORMATION SUPPORT.] For information reporting support and software for ESV information systems:

\$800,000 1995

This appropriation is to ensure an orderly transition from a state supported system to a system where school districts purchase needed services. The department must support local school districts in preparing information required by the state. Data reported to the state must meet state reporting standards. The amount of this appropriation shall be phased out in the 1996-1997 biennium. \$150,000 of this amount is for additional INTERNET support in school districts. Up to \$300,000 of this amount is for ESV system software support only to the extent that it is needed for changes in department reporting requirements.

Subd. 4. [SPECIAL CONSOLIDATION AID.] For special consolidation aid under section 124.2728:

\$70,000 1995

Subd. 5. [DISTRICT COOPERATION REVENUE.] For district cooperation revenue:

\$4,330,000 1995

\$230,000 of this appropriation is for district cooperation hold harmless aid under section 37.

Subd. 6. [ITV GRANTS; CARVER OR SCOTT COUNTY.] For grants to school districts with their administrative offices in Carver or Scott county for the construction, maintenance, or lease costs of an interactive television system for instructional purposes:

\$189,000 1995

Subd. 7. [CAPITAL FACILITIES GRANTS.] For grants under Minnesota Statutes, section 124C.60:

\$500,000 1995

Subd. 8. [ITV GRANT; CROMWELL.] For a grant to independent school district No. 95, Cromwell:

\$125,000 1995

The grant must be used to construct an interactive television transmission line. This appropriation is only available to the extent it is matched by the

district with local and nonlocal sources. The district may levy up to \$50,000 to provide its share of local sources.

Sec. 42. [REPEALER.]

Minnesota Statutes 1992, sections 121.904, subdivision 4e; 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivision 3; 136D.27; 136D.71, subdivision 2; 136D.73, subdivision 3; 136D.74, subdivisions 2a, 2b, and 4; 136D.82, subdivision 3; and 136D.87; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 124.2727, subdivisions 6, 7, and 8; and Laws 1992, chapter 499, article 6, section 39, subdivision 3, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Sections 36 and 40 are effective the day following final enactment. Sections 24 and 25 are effective for revenue for fiscal year 1995.

ARTICLE 7

COMMITMENT TO EXCELLENCE

Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7c, is amended to read:

Subd. 7c. [RESULTS-ORIENTED GRADUATION RULE.] (a) The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning ~~high school~~ *ninth grade in the 1996-1997 school year*. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

(b) *Assessments used to measure knowledge required by all students for graduation must be developed according to the most current version of professional standards for educational testing.*

(c) *The content of the graduation rule must differentiate between minimum competencies and rigorous standards.*

(d) *The state board shall periodically review and report on the assessment process with the expectation of expanding high school graduation requirements.*

(e) *The state board shall report to the legislature annually by January 15 on its progress in developing and implementing the graduation requirements until such time as all the graduation requirements are implemented.*

Sec. 2. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. [REVENUE USE.] Revenue shall be used to reduce and maintain the district's instructor to learner ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of the revenue to attain this level initially in kindergarten and grade 1 and then through the subsequent grades as revenue is available. The revenue may be used to prepare

and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311. ~~Revenue may be used to continue employment for nonlicensed staff employed in the district on the effective date of Laws 1993, chapter 224, under Minnesota Statutes 1992, section 124.331, subdivision 2.~~ A school district may use a portion of the revenue reserved under this section to employ up to the same number of full-time equivalent education assistants or aides as the district employed during the 1992-1993 school year under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT; AND PARENTAL INVOLVEMENT REVENUE.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to one percent in fiscal year 1994, two percent in fiscal year 1995, and 2.5 percent in fiscal year 1996 and thereafter times the formula allowance times the number of actual pupil units shall be reserved and may be used only to provide staff time for in-service education for programs under section 126.77, subdivision 2, ~~challenging instructional activities and experiences or for staff development programs, for the purpose of improving student achievement of education outcomes plans, including plans for challenging instructional activities and experiences under section 126.70, subdivisions 1 and 2a.~~ Districts may expend an additional amount of basic revenue for staff development based on their needs. The school board shall initially allocate 50 percent of the revenue to each school site in the district on a per teacher basis, ~~which shall be retained by the school site until used.~~ The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue shall be used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. A grant may be used for any purpose ~~authorized under section 126.70 or 126.77, subdivision 2, and~~ determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 126.69. Parental involvement programs may include career teacher programs, programs promoting parental involvement in the PER process, coordination of volunteer services, ~~participation in developing, implementing, or evaluating school desegregation/integration plans, and~~ programs designed to encourage community involvement.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124A.292, subdivision 3, is amended to read:

Subd. 3. [STAFF DEVELOPMENT LEVY.] A district's levy equals its revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified by the

district's actual pupil units for the school year to which the levy is attributable, to

(2) the equalizing factor for the school year to which the levy is attributable.

Sec. 5. Minnesota Statutes 1992, section 125.03, is amended by adding a subdivision to read:

Subd. 4a. [ASSESSMENT PROFESSIONALS.] When a school board of a school district with 10,000 pupils or more in average daily membership employs a person to administer or interpret individual aptitude, intelligence or personality tests, the person must hold a graduate level degree related to administering and interpreting psychological assessments.

Sec. 6. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 3, is amended to read:

Subd. 3. [PROGRAM COMPONENTS.] In order to be approved by the board of teaching, a school district's residency program must at minimum include:

- (1) training to prepare teachers to serve as mentors to teaching residents;
- (2) a team mentorship approach to expose teaching residents to a variety of teaching methods, philosophies, and classroom environments;
- (3) ongoing peer coaching and assessment;
- (4) assistance to the teaching resident in preparing an individual professional development plan that includes goals, activities, and assessment methodologies; and
- (5) ~~involvement of resource persons from higher~~ *collaboration with one or more teacher education institutions, career teachers, and other community experts to provide local or regional professional development seminars or other structured learning experiences for teaching residents.*

A teaching resident shall not be given resident's direct classroom supervision responsibilities that exceed shall not exceed 80 percent of the instructional time required of a full-time equivalent teacher in the district. During the remaining time, a teaching resident does not supervise a class, the resident shall participate in professional development activities according to the individual plan developed by the resident in conjunction with the school's mentoring team. Examples of development activities include observing other teachers, sharing experiences with other teaching residents, and professional meetings and workshops.

Sec. 7. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 4, is amended to read:

Subd. 4. [EMPLOYMENT CONDITIONS.] A school district shall pay a teaching resident a salary equal to 75 percent of the statewide average salary of a first-year teacher with a bachelor's degree in the district. The resident shall be a member of the local bargaining unit and shall be covered under the terms of the contract, except for salary and benefits, unless otherwise provided in this subdivision. The school district shall provide health insurance coverage for the resident if the district provides it for teachers, and may provide other benefits upon negotiated agreement.

Sec. 8. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 6, is amended to read:

Subd. 6. [LEARNING AND DEVELOPMENT REVENUE ELIGIBILITY.] A school district with an approved teaching residency program may use learning and development revenue for each teaching resident in kindergarten through grade six. A district also may use the revenue for a paraprofessional who is a person of color enrolled in an approved teacher preparation program. A school district shall not use a teaching resident to replace an existing teaching position: *unless:*

(1) there is no teacher available who is properly licensed to fill the vacancy, who has been placed on unrequested leave of absence in the district, and who wishes to be reinstated; and

(2) the district's collective bargaining agreement includes a memorandum of understanding that permits teaching residents to fill an existing teaching position.

Sec. 9. Minnesota Statutes 1993 Supplement, section 126.239, subdivision 3, is amended to read:

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools ~~whose circumstances make state payment advisable~~. The commissioner shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the commissioner. The commissioner may also determine the circumstances under which the fee is subsidized, in whole or in part. The commissioner shall determine procedures for state payments of fees.

Sec. 10. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT COMMITTEE.] A school board shall use the revenue authorized in section 124A.29 for in-service education for programs under section 126.77, subdivision 2, or for staff development ~~plan plans~~ under this ~~subdivision~~ section. The board must establish a staff development committee to develop the plan, advise a site decision-making team about the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee must be teachers representing various grade levels ~~and~~, subject areas, ~~and special education~~. The advisory committee must also include *nonteaching staff*, parents, and administrators. Districts shall report staff development results to the commissioner in the form and manner determined by the commissioner.

Sec. 11. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [STAFF DEVELOPMENT OUTCOMES.] (a) The staff development committee shall adopt a staff development plan ~~for the improvement of improving student achievement of education outcomes~~. The plan must be consistent with education outcomes ~~determined by the school board that the school board determines~~. The plan shall include activities that enhance staff skills for achieving the following outcomes:

(1) foster readiness for learning *for all pupils*;

(2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs;

(3) develop programs to increase pupils' educational progress by developing using appropriate outcomes and personal learning goals and by encouraging pupils and their parents to assume responsibility for their education;

(4) design and develop programs containing various (3) meet pupils' individual needs by using alternative instructional opportunities that recognize pupils' individual needs and utilize, accommodations, modifications, after-school child care programs, and family and community resources;

(5) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;

(6) provide staff time or mentorship oversight for peer review of probationary, continuing contract, and nonprobationary teachers;

(7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways;

(8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment; and

(9) teach elementary and secondary staff to (4) effectively meet the needs of children with disabilities within the regular classroom setting and other settings by improving the knowledge of school personnel about the legal and programmatic requirements affecting students with disabilities, and by improving staff ability to collaborate, consult with one another, and resolve conflicts; and

(5) provide equal educational opportunities for all students that are consistent with the school desegregation/integration and inclusive education policies adopted by school districts and approved by the state.

(b) If a school board approves a plan to accomplish any of the purposes listed in paragraph (a), it must also provide challenging instructional activities and experiences that recognize and cultivate students' advanced abilities and talents. The staff development committee is strongly encouraged to include in its plan activities for achieving the following outcomes:

(1) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, representatives of children with disabilities, and community members who generally reflect the racial composition of the school to address the pupils' needs;

(2) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;

(3) provide effective mentorship oversight and peer review of probationary, continuing contract, and nonprobationary teachers;

(4) assist elementary and secondary students in learning to resolve conflicts in effective, nonviolent ways;

(5) effectively teach and model violence prevention policy and curricula that address issues of sexual, racial, and religious harassment; and

(6) provide challenging instructional activities and experiences, including advanced placement and international baccalaureate programs, that recognize and cultivate students' advanced abilities and talents.

Sec. 12. Laws 1993, chapter 224, article 7, section 28, subdivision 3, is amended to read:

Subd. 3. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] For the state advanced placement (AP) and international baccalaureate (IB) programs, including training programs, support programs, and examination fee subsidies:

\$300,000 1994

~~\$300,000~~ \$750,000 1995

Any balance remaining in the first year does not cancel but is available in the second year.

Of the fiscal year 1995 amount, \$550,000 is for examination fee subsidies. Notwithstanding Minnesota Statutes, section 126.39, subdivision 3, in fiscal year 1995, the commissioner shall pay the fee for one AP or IB examination for the first exam each student takes. The commissioner shall pay 50 percent of the fee for each additional exam a student takes or more than 50 percent if the student meets the low-income guidelines established by the commissioner. If this amount is not adequate, the commissioner may pay less than 50 percent for the additional exams.

Sec. 13. Laws 1993, chapter 224, article 7, section 28, subdivision 4, is amended to read:

Subd. 4. [NSF MATH-SCIENCE SYSTEMIC INITIATIVE.] To meet requirements for a proposal to the National Science Foundation for a systemic initiative in mathematics and science:

\$1,500,000 1994

\$1,500,000 1995

This appropriation is not contingent upon receiving funding from the National Science Foundation. Any balance remaining in the first year does not cancel but is available in the second year.

Sec. 14. Laws 1993, chapter 224, article 7, section 28, subdivision 11, is amended to read:

Subd. 11. [SCHOOL RESTRUCTURING GRANTS.] For school restructuring grants under section 22:

~~\$500,000~~ \$750,000 1995

~~This appropriation does not cancel.~~

Up to \$100,000 of this amount may be used for a grant to a nonstate organization to develop systemic site decision making models for expenses incurred in fiscal year 1994 and an additional \$250,000 of this amount may be used for a grant for this purpose in fiscal year 1995.

Sec. 15. [TEACHER PREPARATION CURRICULUM.]

(a) Consistent with Laws 1993, chapter 224, article 12, section 34, the state board of teaching, with the assistance of organizations representing diverse cultures, shall decide whether or not to include in the curriculum for preparing all beginning social studies teachers a study of anthropology that encompasses a study of the indigenous people of the midwest, and a study of history of the indigenous people that encompasses a study of the Minnesota area in precolonial times through the twentieth century.

(b) Consistent with Laws 1993, chapter 224, article 12, section 34, the state board of teaching shall ensure that the human relations curriculum of all teacher preparation programs includes components of American Indian language, history, and culture.

Sec. 16. [TIME AND TECHNOLOGY ENHANCED CURRICULUM SCHOOL PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] A three-year pilot project is established to allow independent school district No. 94, Cloquet, to develop a Time and Technology Enhanced Curriculum school. The purpose of the project is to improve student achievement through individualized instruction and year-round education. For purposes of Minnesota Statutes, section 126.12, subdivision 1, the pilot program established in this subdivision is a flexible learning year program under Minnesota Statutes, sections 120.59 to 120.67.

Subd. 2. [REPORT.] Independent school district No. 94, Cloquet, shall report on the pilot project to the education committees of the legislature annually by February 1, beginning February 1, 1995, and ending February 1, 1997.

Sec. 17. [INSTRUCTIONAL TRANSFORMATION THROUGH TECHNOLOGY GRANTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A grant program is established to help school districts work together and with higher education institutions, businesses, local government units, and community organizations in order to facilitate individualized learning and manage information by employing technological advances, especially computers and related products. Recipients shall use grant proceeds to:

(1) develop personalized learning plans designed to give learners more responsibility for their learning success and change the role of teacher to learning facilitator;

(2) match and allocate resources;

(3) create a curriculum environment that is multiplatform;

(4) provide user and contributor access to electronic libraries;

(5) schedule activities;

(6) automate progress reports;

(7) increase collaboration between school districts and sites, and with businesses, higher education institutions, and local government units;

(8) correlate state-defined outcomes to curriculum units for each student;

(9) increase accountability through a reporting system; and

(10) provide technical support, project evaluation, dissemination services, and replication.

Subd. 2. [ELIGIBILITY; APPLICATION.] A grant applicant must be a school district or a group of school districts that demonstrates collaboration with businesses and higher education institutions. Community organizations and local government units may also be involved. The commissioner of education shall prescribe the form and manner of applications. The commissioner shall form an advisory panel consisting of representatives of teachers, school administrators, school boards, parents, students, higher education, and business to assist in the grant selection process. The commissioner, in consultation with the advisory panel, may award grants to applicants likely to meet the outcomes in subdivision 1.

Subd. 3. [REPORTING.] A grant recipient shall report to the commissioner annually at a time specified by the commissioner on the extent to which it is meeting the outcomes specified in subdivision 1.

Sec. 18. [EDUCATIONAL PERFORMANCE IMPROVEMENT GRANT PILOT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] An educational performance improvement grant pilot program is established to provide incentives to school districts to improve student achievement and increase accountability for results. The state board of education may enter into contracts with school districts to award the grants.

Subd. 2. [ELIGIBILITY; APPLICATION.] A school district is eligible to apply for an educational performance improvement grant. The application shall be on a form approved by the commissioner of education. The commissioner shall make recommendations to the state board of education on which districts should be considered for a grant contract. The commissioner shall give priority to school districts:

(1) in which at least one school has received a school improvement incentive grant under Minnesota Statutes 1993 Supplement, section 121.602, subdivision 5; and

(2) that demonstrate a commitment to increasing accountability by using a results-oriented system for measuring student achievement.

Subd. 3. [CONTRACT.] The state board of education may enter into a one-year contract with a school district for the purpose of awarding an educational performance improvement grant. The state board shall award a grant only for measurable gains in student achievement. The terms of the contract shall at minimum address:

(1) the criteria and assessments to be used in measuring student achievement;

(2) the district's baseline level of student achievement;

(3) the level of student achievement to be reached under the contract;

(4) a timeline for determining whether the contract goals have been met; and

(5) at the discretion of the state board, provisions governing the award of a partial grant to the district if the contract goals are not fully met.

Subd. 4. [REPORT.] *The state board of education shall make a preliminary report on the pilot project to the education committees of the legislature by February 15, 1995, and a final report by January 15, 1996.*

Sec. 19. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] *The sums indicated in this section are appropriated from the general fund to the department of education in the fiscal year designated.*

Subd. 2. [TIME AND TECHNOLOGY ENHANCED CURRICULUM.] *For a grant to independent school district No. 94, Cloquet, for the time and technology enhanced curriculum pilot project:*

\$83,000 1995

Subd. 3. [TECHNOLOGY GRANTS.] *For instructional transformation through technology grants:*

\$1,600,000 1995

The amount appropriated under this section does not cancel but is available until June 30, 1996.

Subd. 4. [EDUCATIONAL PERFORMANCE IMPROVEMENT GRANTS.] *For an educational performance improvement grant pilot project under section 10:*

\$800,000 1995

The state board of education shall enter into contracts to award at least three grants, one each to an urban, suburban, and rural school district. This appropriation is available until June 30, 1996, unless the commissioner has entered into a contract and has certified to the commissioner of finance the amount needed to make payments on the contract. Any remaining appropriation shall cancel June 30, 1996.

Subd. 5. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY.] *For support for the activities of the coalition for education reform and accountability as established in Laws 1993, chapter 224, article 1, section 35:*

\$50,000 1995

Sec. 20. [EFFECTIVE DATE.]

Sections 2; 14; 15; and 17 are effective the day following final enactment.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7d, is amended to read:

Subd. 7d. [~~DESEGREGATION~~ DESEGREGATION/INTEGRATION, INCLUSIVE EDUCATION, AND LICENSURE RULES.] (a) The state board may make rules relating to ~~desegregation~~ desegregation/integration, inclusive education, and licensure of school personnel not licensed by the board of teaching.

(b) In adopting a rule related to school desegregation/integration, the state board shall address the need for equal educational opportunities for all students and racial balance as defined by the state board.

Sec. 2. [121.1601] [OFFICE OF DESEGREGATION/INTEGRATION.]

Subdivision 1. [ESTABLISHMENT.] (a) An office of desegregation/integration is established in the department of education to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts.

(b) At the request of a metropolitan school district involved in cooperative desegregation/integration efforts, the office shall perform any of the following activities:

(1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;

(2) coordinate and disseminate information about schools and programs;

(3) assist districts with new magnet schools and programs;

(4) assist districts in providing staff development and in-service training; and

(5) coordinate and administer staff exchanges.

(c) The office shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. The office shall periodically consult with the metropolitan council to coordinate school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. The office shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

Subd. 2. [COORDINATION.] The commissioner shall coordinate the office activities under subdivision 1 with new or existing department and state board of education efforts to accomplish school desegregation/integration. The commissioner may request information or assistance from, or contract with, any state or local agency or officer, local unit of government, or recognized expert to assist the commissioner in performing the activities described in subdivision 1.

Subd. 3. [ADVISORY BOARD.] The commissioner shall establish an advisory board composed of:

(1) eight superintendents, each of whom shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

(2) one person each selected by the Indian Affairs Council, the Asian-Pacific Minnesotans, the Council on Black Minnesotans, and the Spanish Speaking Affairs Council.

The advisory board shall advise the office on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, students, and interested community organizations and others.

Sec. 3. Minnesota Statutes 1992, section 121.912, subdivision 5, is amended to read:

Subd. 5. [ACCOUNT TRANSFER FOR CERTAIN SEVERANCE PAY.] A school district may maintain in a designated for certain severance pay account not more than 50 percent of the amount necessary to meet the obligations for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for payment of premiums for group insurance provided for former employees by the district. The amount necessary shall be calculated according to standards established by the advisory council on uniform financial accounting and reporting standards. ~~If there is a deficit in any year in any reserved fund balance account, the district shall transfer the amount necessary to eliminate the deficit from the designated for certain severance pay account to the reserved fund balance account.~~

Sec. 4. Minnesota Statutes 1992, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, *an opportunities industrialization center accredited by the north central association of colleges and schools*, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Sec. 5. Minnesota Statutes 1992, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by ~~section 275.48~~ *124.912, subdivision 9*. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding year according to the following:

(i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 124.226, subdivisions 1 and 4, if the district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections;

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 6. Minnesota Statutes 1992, section 124.278, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE DISTRICT.] A district is eligible for reimbursement under this section if the district has:

(1) a minority enrollment of more than ten percent; or

(2) a desegregation/integration plan approved by the state board of education to provide equal educational opportunities for all students.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124.6469, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REIMBURSEMENT.] (a) State funds are provided to reimburse school breakfasts. Each school year, the state shall reimburse schools in the amount of 5.1 cents for each fully paid breakfast and for each free and reduced price breakfast not eligible for the "severe need" rate.

(b) In addition to paragraph (a), each school year the state shall reimburse schools 10.5 cents for each free and reduced price breakfast not eligible for the "severe need" rate if between 33 and 40 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 8. Minnesota Statutes 1992, section 124.6472, subdivision 1, is amended to read:

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which at least 40 33 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 9. Minnesota Statutes 1992, section 124.912, is amended by adding a subdivision to read:

Subd. 9. [ABATEMENT LEVY.] (a) Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, section 270.07, 375.192, or otherwise. The maximum abatement levy is the sum of:

(1) the amount of the net revenue loss determined under section 124.214, subdivision 2, that is not paid in state aid including any aid amounts not paid due to proration;

(2) the difference of (i) the amount of any abatements that have been reported by the county auditor for the first six months of the calendar year during which the abatement levy is certified that the district chooses to levy, (ii) less any amount actually levied under this clause that was certified in the previous calendar year for the first six months of the previous calendar year; and

(3) an amount equal to any interest paid on abatement refunds.

(b) A district may spread this levy over a period not to exceed three years.

By July 15, the county auditor shall separately report the abatements that have occurred during the first six calendar months of that year to the commissioner of education and each school district located within the county.

Sec. 10. Minnesota Statutes 1992, section 124.914, subdivision 1, is amended to read:

Subdivision 1. [1977 STATUTORY OPERATING DEBT.] (1) In each year in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than ~~20~~ 30 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall be an amount which is equal to the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

(4) Each district shall make permanent fund balance transfers so that the

total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 11. Minnesota Statutes 1993 Supplement, section 124.914, subdivision 4, is amended to read:

Subd. 4. [1992 OPERATING DEBT.] (a) ~~Each year~~ *For taxes payable for calendar year 2003 and earlier*, a district that has filed a plan pursuant to section 121.917, subdivision 4, may levy, with the approval of the commissioner, to eliminate a deficit in the net unappropriated balance in the operating funds of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the lesser of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

This amount shall be reduced by referendum revenue authorized under section 124A.03 pursuant to the plan filed under section 121.917. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 122.531, subdivision 4a, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

(c) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(d) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

Sec. 12. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. [REVENUE USE.] (a) *Revenue must be used according to either paragraph (b), (c), or (d).*

(b) Revenue shall be used to reduce and maintain the district's instructor to learner ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of the revenue to attain this level initially in kindergarten and grade 1 and then through the subsequent grades as revenue is available.

(c) *Notwithstanding paragraph (b), for fiscal year 1995, a district with exceptional need as defined in subdivision 6, paragraph (a), may use the revenue to reduce and maintain the district's instructor-to-learner ratios in kindergarten through grade 6 to a level that is at least 2.0 less than the district's adopted staffing ratio, if the remaining learning and development revenue is used to continue or initiate staffing patterns that meet the needs of a diverse student population. Programs to meet the needs of a diverse student*

population may include programs for at-risk pupils and learning enrichment programs.

(d) For fiscal year 1995 only, in any school building that meets the characteristics of exceptional need as defined in subdivision 6, paragraph (b), a district may use the revenue to employ education assistants or aides supervised by a learner's regular instructor to assist learners in those school buildings.

(e) The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311. Revenue may be used to continue employment for nonlicensed staff employed in the district on the effective date of Laws 1993, chapter 224, under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124A.225, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTIONAL NEED DEFINED.] (a) A school district is considered to have exceptional need if the district has the following characteristics:

(1) ten percent or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) ten percent or more of the district's pupils are students of color;

(3) the district's adjusted net tax capacity divided by its pupil units for the current year is less than \$3,500; and

(4) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

(b) A school building is considered to have exceptional need if the school building has the following characteristics:

(1) 50 percent or more of the school building's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) the adjusted net tax capacity of the district in which the school building is located, divided by the district's pupil units for the current year, is less than \$3,500; and

(3) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

Sec. 14. Minnesota Statutes 1993 Supplement, section 125.05, subdivision 1a, is amended to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board shall require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or post-secondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The board of teaching shall grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

Sec. 15. Minnesota Statutes 1992, section 125.09, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS FOR REVOCATION.] The board of teaching or the state board of education, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the board employing a teacher, or of a teacher organization, or of any other interested person, which complaint shall specify the nature and character of the charges, suspend or revoke such teacher's license to teach for any of the following causes:

- (1) Immoral character or conduct;
- (2) Failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) Gross inefficiency or willful neglect of duty; or
- (4) Failure to meet licensure requirements; or
- (5) Fraud or misrepresentation in obtaining a license.

For purposes of this subdivision, the board of teaching is delegated the authority to suspend or revoke coaching licenses under the jurisdiction of the state board of education.

Sec. 16. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 9, is amended to read:

Subd. 9. [CRITERIA.] The department of education shall evaluate proposals using the following criteria:

(1) evidence of collaborative arrangements between post-secondary educators and early childhood through grade 12 educators;

(2) evidence that outstanding early childhood through grade 12 educators will be involved in post-secondary classes and programs, including presentations, discussions, teaming, and responsibility for teaching some post-secondary courses;

(3) evidence that post-secondary educators will have direct experience working in a classroom or school district, including presentations, discussions, teaming, and responsibility for teaching some early childhood through grade 12 classes; and

(4) evidence of adequate financial support from employing and receiving institutions; and

(5) *evidence that collaboration between post-secondary educators and early childhood through grade 12 educators will enable school districts to better provide equal educational opportunities for all students.*

Sec. 17. Minnesota Statutes 1993 Supplement, section 125.185, subdivision 4, is amended to read:

Subd. 4. [LICENSE AND RULES.] (a) The board shall adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board shall adopt rules requiring ~~successful completion of an examination of a person to successfully complete a skills examination in reading, writing, and mathematics before being admitted to a teacher preparation program as a requirement for initial teacher licensure.~~ Such rules shall require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board shall adopt rules to approve teacher preparation programs.

(d) The board shall provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board shall adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than July 1, 1999.

(f) The board shall adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board shall grant licenses to interns and to candidates for initial licenses.

(h) The board shall design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. The board shall not establish any expiration date for application for life licenses.

(k) With regard to post-secondary vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of technical colleges.

Sec. 18. Minnesota Statutes 1992, section 125.188, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to the post-secondary teacher preparation program as a means to acquire an entrance license is established. The program may be offered in any instructional field.

(b) To participate in the alternative preparation program, the candidate must:

- (1) have a bachelor's degree;
- (2) pass an examination of skills in reading, writing, and mathematics as required by section 125.05;
- (3) have been offered a job to teach in a school district, group of districts, or an education district approved by the board of teaching to offer an alternative preparation licensure program;
- (4)(i) have a college major in the subject area to be taught; or
(ii) have five years of experience in a field related to the subject to be taught; and
- (5) document successful experiences working with children.

(c) An alternative preparation license is of one year duration and is issued by the board of teaching to participants on admission to the alternative preparation program.

(d) *The board of teaching shall ensure that one of the purposes of this program is to enhance the school desegregation/integration policies adopted by the state.*

Sec. 19. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 1, is amended to read:

Subdivision 1. [TEACHER MENTORING PROGRAMS.] School districts are encouraged to develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, *teachers of color*, teachers with special needs, or experienced teachers in need of peer coaching.

Sec. 20. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 4, is amended to read:

Subd. 4. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts; and
- (8) *retain teachers of color.*

Sec. 21. Minnesota Statutes 1993 Supplement, section 125.623, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REQUIREMENTS.] (a) A grant recipient shall recruit persons of color to be teachers in elementary, secondary, early childhood or parent education, and provide support in linking program participants with jobs in the recipient's school district.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students and other persons, *including educational para-professionals*, support them through the higher education application and admission process, advise them while enrolled and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to students of color enrolled in an approved licensure program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based on a student's financial need and students must apply for any additional financial aid they are eligible for to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to teach in the grantee school district for at least two years after licensure. If the district has no licensed positions open, the student may teach in another district in Minnesota.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of students of color in teaching;

(2) whether grant recipients will recruit paraprofessionals from the district to work in its schools; and

(3) whether grant recipients will establish or have a mentoring program for students of color.

Sec. 22. Minnesota Statutes 1993 Supplement, section 125.706, is amended to read:

125.706 [PREPARATION TIME.]

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under chapter 179A, must include provisions for preparation time or a provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of *classroom* instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers."

Sec. 23. [126.43] [SUMMER CULTURAL EXCHANGE GRANT PROGRAM.]

Subdivision 1. [CULTURAL EXCHANGE PROGRAM GOALS.] A cultural exchange grant program is established to develop and create opportunities for children and staff of different ethnic, racial, and other cultural backgrounds to experience educational and social exchange. Student and staff exchanges under this section may only take place between a district with a desegregation plan approved by the state board of education and a district without a desegregation plan. Participating school districts shall offer summer programs for credit with the goals set forth in paragraphs (a) to (d).

(a) The program shall develop curriculum reflective of particular ethnic, racial, and other cultural aspects of various demographic groups in the state.

(b) The program shall develop immersion programs that are coordinated with the programs offered in paragraph (a).

(c) The program shall create opportunities for students from across the state to enroll in summer programs in school districts other than the one of residence, or in other schools within their district of residence.

(d) The program shall create opportunities for staff exchanges on a cultural basis.

Subd. 2. [CULTURAL EXCHANGE GRANTS.] A school district together with a group of school districts, a cooperative governmental unit, the center for arts and education, or a post-secondary institution may apply for cultural exchange grants. The commissioner of education shall determine grant recipients and may adopt application guidelines. The grants must be competitively determined and applicants must demonstrate:

(1) *the capacity to develop a focused curriculum that reflects the particular ethnic, racial, and other cultural aspects of the community in which the school where the program is offered is located;*

(2) *the capacity to develop immersion programs coordinated with the curriculum developed in clause (1);*

(3) *the capacity to coordinate a cultural exchange program with other curriculum programs to assure continuity in a pupils education;*

(4) *the capacity to maximize diversity of ethnic, racial, and other cultural backgrounds of participants;*

(5) *that the application is jointly developed by participants; and*

(6) *that the outcomes of the exchange program are clearly articulated.*

Subd. 3. [GRANT USE.] The grants may be used for staff time including salary and benefit expenses and costs for substitute staff, travel expenses, curriculum materials, and any other expense needed to meet the goals of the program. Grant proceeds also may be used for transportation, board, and lodging expenses for students.

Sec. 24. [126.84] [MALE RESPONSIBILITY AND FATHERING GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education, in consultation with the commissioner of human services, shall make male responsibility and fathering grants to youth or parenting programs that collaborate with school districts to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood.

Subd. 2. [MATCHING MONEY.] Each dollar of state money must be matched with at least 50 cents of nonstate money including in-kind contributions. Those programs with a higher match will have a greater chance of receiving a grant.

Subd. 3. [EXPECTED OUTCOMES.] Grant recipients shall use the funds for programs designed to prevent teen pregnancy and to prevent crime in the long term. Recipient programs must assist youth to:

(1) *understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and parenting;*

(2) *understand the long-term responsibility of fatherhood;*

(3) *understand the importance of fathers in the lives of children;*

(4) *acquire parenting skills and knowledge of child development; and*

(5) *find community support for their roles as fathers and nurturers of children.*

Subd. 4. [GRANT APPLICATIONS.] (a) An application for a grant may be submitted by a youth or parenting program whose purpose is to reduce teen pregnancy or teach child development and parenting skills in collaboration with a school district. Each grant application must include a description of the program's structure and components, including collaborative and outreach efforts; an implementation and evaluation plan to measure the program's success; a plan for using males as instructors and mentors; and a cultural diversity plan to ensure that staff or teachers will reflect the cultural

backgrounds of the population served and that the program content is culturally sensitive.

(b) Grant recipients must, at a minimum, provide education in responsible parenting and child development, responsible decision-making related to marriage and relationships, and the legal implications of paternity. Grant recipients also must provide public awareness efforts in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, and mentoring and peer teaching.

(c) A grant applicant must establish an advisory committee to assist the applicant in planning and implementation of a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

Subd. 5. [ADMINISTRATION.] The commissioner of education shall administer male responsibility and fathering grants. The commissioner shall establish a grant review committee composed of teachers and representatives of community organizations, student organizations, and education or family social service agencies that offer parent education programs.

Subd. 6. [REPORT.] The commissioner shall report to the legislature on the progress of the male responsibility and fathering programs by January 15, 1996.

Sec. 25. Minnesota Statutes 1993 Supplement, section 127.46, is amended to read:

127.46 [SEXUAL, RELIGIOUS, AND RACIAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual, religious, and racial harassment and sexual, religious, and racial violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted throughout each school building, given to each district employee and independent contractor at the time of entering into the person's employment contract, and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual, religious, and racial harassment and violence policy with students and school employees.

Sec. 26. Minnesota Statutes 1992, section 136A.125, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE INSTITUTION.] A Minnesota public post-secondary institution or, a Minnesota private, baccalaureate degree granting college or university located in Minnesota, or a Minnesota nonprofit two-year vocational technical school granting associate degrees is eligible to receive child care funds from the board and disburse them to eligible students.

Sec. 27. Minnesota Statutes 1992, section 179A.07, subdivision 6, is amended to read:

Subd. 6. [TIME OFF.] A public employer must afford reasonable time off to elected officers or appointed representatives of the exclusive representative

to conduct the duties of the exclusive representative and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative *or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district.*

Sec. 28. Minnesota Statutes 1993 Supplement, section 275.48, is amended to read:

275.48 [ADDITIONAL TAX LEVIES IN CERTAIN TAXING DISTRICTS.]

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city, *or township or school district* for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original net tax capacity, the city, *or township or school district* may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity. ~~The total tax levy authorized for a school district by this section may also include an amount equal to any interest paid on the abatement refunds. The levy for a school district shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 124.918, subdivision 1, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.~~

~~Except for school districts,~~ The amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 29. Laws 1993, chapter 224, article 8, section 20, subdivision 2, is amended to read:

Subd. 2. [FELLOWSHIP GRANTS.] (a) For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$100,000 1994

~~\$100,000~~ \$150,000 1995

(b) A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Sec. 30. Laws 1993, chapter 224, article 8, section 22, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BREAKFAST.] To operate the school breakfast program:

\$200,000 1994

~~\$200,000~~ \$400,000 1995

\$200,000 in 1995 is for reimbursements under section 124.6469, subdivision 3, paragraph (b). If the appropriation amount attributable to either year is insufficient, the rate of payment for each student breakfast shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year. Any unexpected balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124.646.

Sec. 31. Laws 1993, chapter 224, article 8, section 22, subdivision 12, is amended to read:

Subd. 12. [TEACHERS OF COLOR PROGRAM.] For grants to school districts for the teachers of color program:

\$300,000 1994

~~\$300,000~~ \$500,000 1995

Of this appropriation, at least \$75,000 each fiscal year shall be for educating people of color to be early childhood and parent educators.

Sec. 32. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. [REPEALER.]

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; ~~8700.6410~~; 8700.6800; and 8700.7100; ~~8700.9000~~; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b) Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100;

3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540;
3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650;
3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741;
3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980;
3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151;
3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220;
3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401;
3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510;
3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580;
3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; *and*
3520.5920; ~~3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900;~~
~~3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500;~~
~~3530.7600; 3530.7700; and 3530.7800,~~ are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200;
3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100;
3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800;
3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600;
3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500;
3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200;
3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000;
3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170;
3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100;
3517.4200; 3517.8500; 3517.8600; *and* ~~3530.6500; 3530.6600; 3530.6700;~~
~~3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300;~~
~~3530.7400; 3530.7500; 3530.7600; 3530.7700; 3530.7800; and chapter~~
3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100;
3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000;
3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030;
3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800;
3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400;
3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000;
3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700;
3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200;
8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700;
8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400;
8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902;
8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500;
8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506;
8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512;
8700.5800; 8700.6310; ~~8700.6410;~~ 8700.6900; 8700.7010; 8700.7700;
8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040;
8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110;
8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170;
8700.8180; 8700.8190; ~~8700.9000;~~ ~~8700.9010;~~ ~~8700.9020;~~ ~~8700.9030;~~
8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320;
8750.0330; 8750.0350; 8750.0370; 8750.0390; ~~8750.0410;~~ 8750.0430;
8750.0460; 8750.0500; 8750.0520; 8750.0600; ~~8750.0620;~~ 8750.0700;
8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820;
8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920;
8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220; 8750.1240;
8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360;
8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520;

8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

Sec. 33. [REVIVAL OF RULES.]

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Rules, parts 8700.6410, 8700.9000, 8700.9010, 8700.9020, and 8700.9030, repealed in Laws 1993, chapter 224, article 12, section 39, paragraph (a), are revived on the effective date of section 32.

Sec. 34. [STAFFING.]

The commissioner of education shall provide staffing to develop the proposed amended rules on school desegregation/integration and educational diversity, to be adopted by the state board of education, as directed by the legislature.

Sec. 35. [GRANTS TO PROVIDE FREE BREAKFASTS TO ELEMENTARY SCHOOL CHILDREN.]

Subdivision 1. [ESTABLISHMENT.] A grant program for fiscal year 1995 is established to explore the policy of providing nutritious breakfasts to all children in elementary school, without regard to whether the children are eligible to receive free or reduced price breakfasts, so that they can learn effectively.

Subd. 2. [ELIGIBILITY.] An applicant for a grant must be an elementary school that participates in the federal school breakfast and lunch programs. For a school to receive a grant, at least 15 percent of the school's enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year.

Subd. 3. [APPLICATION PROCESS.] To obtain a grant to receive reimbursement for providing breakfasts to all children, whether or not the children are from low-income families and eligible to receive free or reduced price meals, an elementary school must submit an application to the education commissioner in the form and manner prescribed by the commissioner. The application must describe how the applicant will encourage all children in the school to participate in the breakfast program. The commissioner may require additional information from the applicant.

Subd. 4. [GRANT AWARDS.] The commissioner shall award four grants: for each of two grant recipients, between 15 and 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year; for each of the remaining two grant recipients, more than 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year. The four schools that the commissioner selects must have an elementary school population that in total does not exceed 2,400 pupils in average daily membership. Grant recipients must be located throughout the state. The amount of the grant shall equal the statewide average cost for the 1993-1994 school year for every breakfast the recipient serves under this program during the 1994-1995 school year minus any state and federal reimbursement the recipient receives for providing free and reduced price breakfasts during the

1994-1995 school year. Grant recipients must use the proceeds to provide breakfasts to school children.

Subd. 5. [EVALUATION.] The commissioner shall evaluate the four grant sites and two control sites to determine the impact that the universal breakfast program has on children's school performance, including discipline in the school, students' test scores, attendance rates, and other measures of educational achievement. The commissioner shall report the results of the evaluation to the education committees of the legislature by January 31, 1996.

Sec. 36. [REPORT ON SCHOOL MEALS PROGRAMS.]

The commissioner of education shall review the nutrition needs of K-12 students and the extent to which poor nutrition interferes with effective learning, and shall review the current school breakfast and lunch programs and the role of these programs in improving educational achievement and contributing to the long-term health of Minnesota children. The commissioner shall identify barriers to participating in the school meals programs and shall make recommendations to the education committees of the legislature and the legislative commission on children, youth, and their families by January 31, 1995, to:

(1) improve student nutrition to increase the educational achievement of all children and to improve the overall learning climate;

(2) more effectively integrate the school meals program into the school day;

(3) eliminate barriers to universal participation in school meals programs;

(4) reduce paperwork and other administrative burdens associated with the school meals programs so that resources can be redirected to pay for program expansion and improving the nutritional integrity of the program; and

(5) enable Minnesota to maximize federal funds for school meals programs.

Sec. 37. [REVENUE ADJUSTMENTS.]

After appropriate study and such public hearings as may be necessary, the commissioner of education shall recommend to the legislature by February 1, 1995, a policy for ensuring the school districts participating in a metropolitan-wide school desegregation/integration plan are not financially disadvantaged as a result of participating in the plan.

Sec. 38. [MAGNET SCHOOL AND PROGRAM GRANTS.]

(a) The commissioner of education, in consultation with the desegregation/integration office under Minnesota Statutes, section 121.025, shall award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs.

(b) Grant recipients must use the grant money under paragraph (a) to establish or operate a magnet school or a magnet program and provide all students with equal educational opportunities. Grant recipients may expend grant money on:

(1) teachers who provide instruction or services to students in a magnet school or magnet program;

(2) educational paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program;

- (3) clerical support needed to operate a magnet school or magnet program;
- (4) equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program;
- (5) minor remodeling needed to operate a magnet school or magnet program;
- (6) transportation for field trips that are part of a magnet school or magnet program curriculum;
- (7) program planning and staff and curriculum development for a magnet school or magnet program;
- (8) disseminating information on magnet schools and magnet programs; and
- (9) indirect costs calculated according to the state's statutory formula governing indirect costs.

Sec. 39. [LAKE SUPERIOR DEBT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] On July 1, 1994, independent school district No. 381, Lake Superior, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1994.

Subd. 2. [LEVY.] For taxes payable in each of the years 1998 through 2000, the district may levy an amount up to 33-1/3 percent of the balance in the account on July 1, 1994. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Sec. 40. [PILOT PROGRAM IN CONTINUING MULTICULTURAL EDUCATION.]

Subdivision 1. [PROGRAM COMPONENTS.] Beginning with the 1994-1995 school year, independent school district No. 38, Red Lake, shall provide a 25-hour continuing education in-service program in multicultural education for licensed teachers in the district. The three-year pilot program shall be results-oriented and shall be designed to improve teachers' ability to effectively educate learners of all racial, cultural, and economic groups. The district's staff development committee under Minnesota Statutes, section 126.70, subdivision 1, shall develop appropriate outcomes for the program. The district shall contract with Bemidji State University to provide curriculum, instruction, and assessments for the program.

Subd. 2. [PROGRAM APPROVAL.] Prior to implementation, the program established in subdivision 1 must be approved by the department of education in consultation with the state American Indian education advisory committee.

Subd. 3. [APPLICABILITY.] A teacher employed by independent school district No. 38, Red Lake, at the start of the 1994-1995 school year shall complete the program established in subdivision 1 within three years of its implementation. In appropriate circumstances, the district's staff development committee under Minnesota Statutes, section 126.70, subdivision 1, may waive

this provision for a teacher who is unable to complete the program. The program shall be counted as continuing education for licensure purposes under board of teaching rules.

Subd. 4. [REPORT.] Independent school district No. 38, Red Lake, and the staff development committee shall report to the commissioner of education on the status of the program by February 1, 1995.

Sec. 41. [OSSEO LEVY.] For 1994 taxes payable in 1995 only, independent school district No. 279, Osseo, may levy a tax in an amount not to exceed \$500,000. The proceeds of this levy must be used to provide instructional services for at-risk children.

Sec. 42. [FUND TRANSFERS.]

Subdivision 1. [STAPLES-MOTLEY.] Notwithstanding Minnesota Statutes, section 121.912 or 121.9121 or any other law to the contrary, before July 1, 1996, independent school district No. 2170, Motley-Staples, may recognize as revenue in the capital expenditure fund up to \$800,000 of referendum revenue received pursuant to Minnesota Statutes, section 124A.03.

Subd. 2. [MONTICELLO.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121, or any other law, independent school district No. 882, Monticello, may permanently transfer an amount not to exceed \$250,000 from its capital expenditure fund to its transportation fund before July 1, 1994.

Subd. 3. [RED LAKE.] Notwithstanding any law to the contrary, on June 30, 1994, independent school district No. 38, Red Lake, may permanently transfer up to \$160,900 from the general fund to the capital expenditure fund.

Subd. 4. [REMER-LONGVILLE AND ORTONVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district Nos. 62, Ortonville, and 118, Remer-Longville may each permanently transfer up to \$150,000 in fiscal year 1994 from the bus purchase account to the capital expenditure fund for facility repairs and technology-related equipment without making a levy reduction.

Subd. 5. [HOLDINGFORD.] Notwithstanding Minnesota Statutes, sections 121.912; 121.9121; and 475.61, subdivision 4, or any other law to the contrary, on June 30, 1994, independent school district No. 738, Holdingford, may permanently transfer up to \$100,000 from its debt redemption fund to its general fund.

Subd. 6. [INVER GROVE.] Notwithstanding Minnesota Statutes, section 121.912, independent school district No. 199, Inver Grove may transfer \$91,255 from the community service fund to the general fund in fiscal year 1994.

Subd. 7. [RECOMMENDATIONS.] After reviewing the position statement on fund integrity and fund merger by the advisory council on uniform financial accounting and reporting standards from November 1984, the commissioner of education shall make any recommendations for consolidation of funds or accounts and elimination of funds or accounts to the legislature in 1995.

Sec. 43. [LOW-INCOME CONCENTRATION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] A low-income concentration grant program is established. The purpose of the program is to provide additional

resources to school buildings in which the concentration of children from low-income families is high compared to the district-wide concentration.

Subd. 2. [APPLICATION PROCESS.] The commissioner of education shall develop a grant application process. In order to qualify for a grant, the building must be located in a district that meets the following criteria:

(1) ten percent or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) ten percent or more of the district's pupils are students of color;

(3) the district has at least 1500 students in average daily membership; and

(4) the district's administrative office is located in the seven county metropolitan area but not in a city of the first class.

Subd. 3. [GRANT USE.] The grant must be used according to Minnesota Statutes, section 124A.28. The grant may only be used in buildings in the district where the percent of children in the building eligible for free and reduced lunch is at least 20 percent and the number of minority students is at least 20 percent.

Sec. 44. [SEXUALITY AND FAMILY LIFE EDUCATION SURVEY.]

The department of education, in consultation with the department of health and Minnesota planning, shall conduct a survey to assess the extent and status of sexuality and family life education in Minnesota's public elementary, middle, secondary, and alternative schools. The survey shall, at a minimum, compile information on the sexuality and family life related curriculum offered in each school, the goals of the curriculum, the age and developmental appropriateness of the curriculum, available research supporting the curriculum, the relevant training of those who teach sexuality and family life education, and the role that parents play in the programs. The department of education shall report the results of the evaluation to the legislature by February 15, 1995. The survey results shall be used to develop effective programs to prevent teen pregnancy.

Sec. 45. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education in the fiscal year designated.

Subd. 2. [FREE BREAKFAST GRANTS.] For grants for free breakfasts to elementary school children:

\$167,000 1995

Up to \$18,000 of this sum may be used to conduct an evaluation of the grant sites.

Subd. 3. [MAGNET SCHOOL AND PROGRAM GRANTS.] For magnet school and program grants:

\$1,500,000 1995

This sum shall be used for planning and developing magnet schools and magnet programs. Prior to awarding the grants, the commissioner shall consult with the superintendent of districts that demonstrate an intent to participate in the magnet school and related programs.

Subd. 4. [DESEGREGATION/INTEGRATION OFFICE.] For the desegregation/integration office:

\$150,000 1995

This sum shall be used for costs associated with assisting school districts in voluntary integration efforts and for annually evaluating and reporting the results of such efforts. A portion of this appropriation may be used for unclassified positions within the department.

Subd. 5. [MALE RESPONSIBILITY AND FATHERING GRANTS.] For male responsibility and fathering grants:

\$500,000 1995

The commissioner of education shall award a minimum of ten grants geographically distributed throughout the state.

The commissioner of education may enter into cooperative agreements with the commissioner of human services to access federal money for child support and paternity education programs.

This appropriation is available until June 30, 1996.

Subd. 6. [MULTICULTURAL CONTINUING EDUCATION GRANT.] For a grant to independent school district No. 38, Red Lake, for a multicultural continuing education pilot project for teachers:

\$69,000 1995

The district must match this sum with staff development revenue under Minnesota Statutes, section 124A.29.

Subd. 7. [LOW-INCOME CONCENTRATION GRANTS.] For grants under section 43:

\$1,000,000 1995

Each grant shall be no more than \$50,000.

Subd. 8. [NETT LAKE YOUTH PROGRAM GRANT.] For a grant to independent school district No. 707, Nett Lake, for providing an evening and weekend youth activity program:

\$25,000 1995

The school district, in collaboration with social services and law enforcement agencies, and with the advice of the community youth council, must use the grant to provide evening and weekend programs for youth that include educational, social, and cultural activities.

Subd. 9. [CULTURAL EXCHANGE PROGRAM.] For the cultural exchange program:

\$142,000 1995

Subd. 10. [SITE GRANTS.] For grants to school districts for mentorship cooperative ventures between school districts and post-secondary preparation institutions for alternative licensure programs under Minnesota Statutes, section 125.88:

\$100,000 1995

The department must transmit this appropriation to the board of teaching.

*Subd. 11. [SEXUALITY AND FAMILY LIFE EDUCATION SURVEY.]
For a sexuality and family life education survey:*

\$25,000 1995

Sec. 46. [REPEALER.]

(a) Laws 1993, chapter 224, article 8, section 14, is repealed.

*(b) Minnesota Rules, parts 8700.6410; 8700.9000; 8700.9010; 8700.9020;
and 8700.9030, are repealed.*

Sec. 47. [EFFECTIVE DATE.]

(a) Sections 32; 33; and 42 are effective the day following final enactment.

(b) Sections 14; 17; and 46, paragraph (a), are effective July 1, 1994.

*(c) Sections 12; and 13; are effective July 1, 1994, and apply to revenue for
1994-1995 and later school years.*

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] A school board may sponsor one or more outcome-based schools.

A school board may authorize a maximum of five outcome-based schools.

No more than a total of 20 35 outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Sec. 2. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 16, is amended to read:

Subd. 16. [LEASED SPACE.] The school may lease space from a board eligible to be a sponsor or other public or private nonprofit nonsectarian organization. If a school is unable to lease appropriate space from an eligible board or other public or private nonprofit nonsectarian organization, the school may lease space from another nonsectarian organization if the department of education, in consultation with the department of administration, approves the lease. *If the school is unable to lease appropriate space from public or private nonsectarian organizations, the school may lease space from a sectarian organization if the leased space is constructed as a school facility and the department of education, in consultation with the department of administration, approves the lease.*

Sec. 3. Minnesota Statutes 1993 Supplement, section 120.101, subdivision 5b, is amended to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruction for at least 170 days through the 1994-1995 1995-1996 school year, and for later years, at least the number of days per school year in the following schedule:

- (1) ~~1995-1996, 172;~~
- (2) 1996-1997, 174;
- (3) (2) 1997-1998, 176;
- (4) (3) 1998-1999, 178;
- (5) (4) 1999-2000, 180;
- (6) (5) 2000-2001, 182;
- (7) (6) 2001-2002, 184;
- (8) (7) 2002-2003, 186;
- (9) (8) 2003-2004, 188; and
- (10) (9) 2004-2005, and later school years, 190.

Sec. 4. Minnesota Statutes 1992, section 123.3514, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding any other law to the contrary, an 11th or 12th grade pupil *enrolled in a public school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124.86*, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

Sec. 5. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. *The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.*

A post-secondary institution shall receive the following:

- (1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or
- (2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

Sec. 6. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. *The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.*

A post-secondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124.17, subdivision 2f, is amended to read:

Subd. 2f. [PSEO PUPILS.] The average daily membership for a student participating in the post-secondary enrollment options program equals the lesser of

- (1) 1.00, or
- (2) the greater of
- (i) .12, or

(ii) the ratio of the number of *instructional* hours the student is enrolled in the secondary school to the product of the number of days required in section 120.101, subdivision 5b, times the minimum length of day required in Minnesota Rules, part 3500.1500, subpart 1.

Sec. 8. Minnesota Statutes 1993 Supplement, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least 175 days through the ~~1994-1995~~ 1995-1996 school year and the number of days required in subdivision 1b thereafter, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board; (2) if proper evidence is submitted, and (3) if a good faith attempt is made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the ~~1994-1995~~ 1995-1996 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 5b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 9. Minnesota Statutes 1992, section 124.19, subdivision 1b, is amended to read:

Subd. 1b. [REQUIRED DAYS.] Each district shall maintain school in session or provide instruction in other districts for at least the number of days required for the school years listed below:

- (1) ~~1995-1996, 177;~~
- (2) 1996-1997, 179;
- (3) (2) 1997-1998, 181;
- (4) (3) 1998-1999, 183;

- (5) (4) 1999-2000, 185;
- (6) (5) 2000-2001, 187;
- (7) (6) 2001-2002, 189;
- (8) (7) 2002-2003, 191;
- (9) (8) 2003-2004, 193; and
- (10) (9) 2004-2005, and later school years, 195.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.248, subdivision 4, is amended to read:

Subd. 4. [OTHER AID, GRANTS, REVENUE.] (a) An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district *except that, notwithstanding section 124.195, subdivision 3, the payments shall be of an equal amount on each of the 23 payment dates unless an outcome-based school is in its first year of operation in which case it shall receive on its first payment date 15 percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 85 percent of the cumulative amount guaranteed.* However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

(b) Any revenue received from any source, other than revenue that is specifically allowed for operational, maintenance, capital facilities revenue under paragraph (c), and capital expenditure equipment costs under this section, may be used only for the planning and operational start-up costs of an outcome-based school. Any unexpended revenue from any source under this paragraph must be returned to that revenue source or conveyed to the sponsoring school district, at the discretion of the revenue source.

(c) An outcome-based school may receive money from any source for capital facilities needs. Any unexpended capital facilities revenue must be reserved and shall be expended only for future capital facilities purposes.

Sec. 11. Minnesota Statutes 1992, section 124.86, subdivision 2, is amended to read:

Subd. 2. [REVENUE AMOUNT.] An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the difference between (a) the actual pupil units as defined in section 124A.02, subdivision 15, in average daily membership, *excluding section 124.17, subdivision 2f,* and (b) the number of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal

Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units in average daily membership, *excluding section 124.17, subdivision 2f*; and

(4) multiplying the actual pupil units, *including section 124.17, subdivision 2f*, in average daily membership by the lesser of \$1,500 or the result in clause (3).

Sec. 12. Minnesota Statutes 1992, section 127.03, subdivision 3, is amended to read:

Subd. 3. [IMMUNITY FROM CIVIL LIABILITY.] It is a defense to a civil action for damages against a ~~teacher~~ school official, as defined in section 609.2231, subdivision 5, to prove that the force used by the ~~teacher~~ official was reasonable, was in the exercise of lawful authority, and was necessary under the circumstances to restrain the pupil or to prevent bodily harm or death to another.

Sec. 13. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment. Section 7 is effective retroactive to July 1, 1991, and applies to fiscal year 1992 and thereafter.

ARTICLE 10

LIBRARIES

Section 1. [134.155] [LIBRARIANS OF COLOR PROGRAM.]

Subdivision 1. [DEFINITION.] For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Subd. 2. [GRANTS.] The commissioner of education, in consultation with the multicultural advisory committee established in section 126.82, shall award grants for professional development programs to recruit and educate people of color in the field of library science or information management. Grant applicants must be a public library jurisdiction with a growing minority population working in collaboration with an accredited institution of higher education with a library program in the state of Minnesota.

Subd. 3. [PROGRAM REQUIREMENTS.] (a) A grant recipient shall recruit people of color to be librarians in public libraries and provide support in linking program participants with jobs in the recipient's library jurisdiction.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students, undergraduate students, or other persons; support them through the higher education application and admission

process; advise them while enrolled; and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to people of color enrolled in an accredited library program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based upon a student's financial need and students must apply for any additional financial aid for which they are eligible to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to work in the grantee library jurisdiction for at least two years after graduation if the student acquires a master's degree and at least three years after graduation if the student acquires both a bachelor's and a master's degree while participating in the program. If no full-time position is available in the library jurisdiction, the student may fulfill the work requirement in another Minnesota public library.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of persons of color in librarianship;

(2) whether grant recipients will establish or have a mentoring program for persons of color; and

(3) whether grant recipients will provide a library internship for persons of color while participating in this program.

Sec. 2. Minnesota Statutes 1992, section 134.195, subdivision 10, is amended to read:

Subd. 10. [CRITERIA.] Public library services established according to this section, including materials, programs, equipment, and other public library services, whether located in an elementary or secondary school building or elsewhere, shall be available for simultaneous use by students and residents of the area. If public library services are located in an elementary or secondary school building, a separate entrance, accessible from the outside of the school building, shall be provided for use by the residents. The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. The library shall be centrally located in the community and available for use by residents during all hours the school is in session, at least 15 additional hours each week during evenings, and on Saturdays. ~~The library shall continue to maintain approximately the same hours of operation when the school is not in session. When school is not in session, the library may reduce its hours to maintain at least the average number of hours each week of other public libraries serving its population size.~~ The library shall have telephone service that is separate from the telephone service for the school. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to residents.

Sec. 3. [CHILDREN'S LIBRARY SERVICES GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall establish a grant program for public libraries to develop community collaborations and partnerships that strengthen public library service to children, young people, and their families. The office of library development and services shall administer the grant program.

Subd. 2. [APPLICANTS.] An applicant must propose a program involving collaboration between a public library and at least one child or family organization, including, but not limited to: a school district, an early childhood family education program, a public or private adult basic education program, a nonprofit agency, a licensed school age child care program, a licensed family child care provider, a licensed child care center, a public health clinic, a social service agency, or a family literacy program.

Subd. 3. [ADVISORY TASK FORCE.] The commissioner of education shall appoint an advisory task force to review grant applications and make recommendations for awarding the grants. At least two members of the task force must be practicing children's services librarians.

Subd. 4. [CRITERIA FOR GRANT AWARDS.] In order to qualify for a grant, an applicant must:

(1) demonstrate collaboration between a public or private agency that improves library services to children, young people, and their families;

(2) have a plan for replication of the project in other areas of the state, if appropriate;

(3) involve the regional public library system and the multitype library system in the planning; and

(4) describe a system for evaluating the project.

Sec. 4. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [LIBRARIANS OF COLOR.] For the librarians of color program:
\$55,000 1995

Subd. 3. [CHILDREN'S LIBRARY SERVICES GRANTS.] For grants for collaborative programs to strengthen library services to children, young people, and their families:

\$50,000 1995

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 1992, section 121.612, subdivision 7, is amended to read:

Subd. 7. [FOUNDATION STAFF.] (a) The state board shall appoint the executive director and other staff who shall perform duties and have responsibilities solely related to the foundation.

(b) As part of the annual plan of work, the foundation, under the direction of the state board, may appoint up to three employees. The employees appointed under this paragraph are not state employees under chapter 43A, but are covered under section 3.736. At the foundation board's discretion, the employees may participate in the state health and state

insurance plans for employees in unclassified service. The employees shall be supervised by the executive director.

Sec. 2. Minnesota Statutes 1992, section 126A.04, subdivision 5, is amended to read:

Subd. 5. [GRANTS.] The director may apply for, receive, and allocate grants and other money for environmental education. *The director shall continue to make a grant to an environmental library located in the metropolitan area.*

Sec. 3. Minnesota Statutes 1992, section 129C.15, is amended by adding a subdivision to read:

Subd. 3. [CENTER RESPONSIBILITIES.] *The center shall:*

(1) provide information and technical services to arts teachers, professional arts organizations, school districts, and the department of education;

(2) gather and conduct research in arts education;

(3) design and promote arts education opportunities for all Minnesota pupils in elementary and secondary schools; and

(4) serve as liaison for the department of education to national organizations for arts education.

Sec. 4. [FEDERAL FUNDS APPROVAL.]

The expenditure of federal funds as shown in the first and third change orders to the 1994-1995 supplemental budget are approved and appropriated and shall be spent as indicated.

Sec. 5. [FARIBAULT ACADEMIES; APPROPRIATION.]

Subdivision 1. [FARIBAULT STATE ACADEMIES; STAFF TRAINING.] *\$100,000 is appropriated in fiscal year 1995 from the general fund to the department of education for the Faribault academies to pay for the costs of an intensive staff training program. The staff training shall address issues of staff awareness and understanding of blind and deaf cultures, staff skill improvement, mediation and conflict resolution, team building, and communications. A report concerning the staff training program shall be submitted to the education committees of the legislature by January 1, 1995.*

Subd. 2. [UTILIZATION OF ACADEMY EMPLOYEES.] *In order to utilize employees of the Faribault academies who would otherwise be laid off during June, July, and August 1994, work to be performed on the renovation of Noyes hall on the Minnesota state academy for the deaf campus and the demolition of Dow hall on the Minnesota academy for the blind campus may include state employees, provided that the work performed by state employees is necessary for the completion of the projects, results in real costs savings on the projects, and is in conformance with state employees collective bargaining agreements.*

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.

ARTICLE 12

SCHOOL BUS SAFETY

Section 1. Minnesota Statutes 1992, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the transportation of pupils to and from school and for any other purpose for which aid is authorized under section 124.223 or for which levies are authorized under sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. ~~Every driver shall possess all the qualifications required by the rules of the state board of education.~~ In any school district, the board shall arrange for the attendance of all pupils living two miles or more from the school, *except pupils whose transportation privileges have been revoked under section 169.436, subdivision 1, clause (6), or 123.7991, paragraph (b),* through suitable provision for transportation or through the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. The board shall provide transportation to and from the home of a child with a disability not yet enrolled in kindergarten when special instruction and services under ~~section~~ sections 120.17 and 120.1701 are provided in a location other than in the child's home. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control, and management of the school board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 2. Minnesota Statutes 1992, section 123.78, is amended by adding a subdivision to read:

Subd. 3. [RULES.] The state board of education may amend rules relating to equal transportation.

Sec. 3. [123.799] [STUDENT TRANSPORTATION SAFETY.]

Subdivision 1. [RESERVED REVENUE USE.] A district shall use the student transportation safety reserved revenue under section 124.225, subdivision 7f, for providing student transportation safety programs to enhance student conduct and safety on the bus or when boarding and exiting the bus. A district's student transportation policy must specify the student transportation safety activities to be carried out under this section. A district's student transportation safety reserved revenue may only be used for the following purposes:

(1) to provide paid adult bus monitors, including training and salary costs;

(2) to provide a volunteer bus monitor program, including training costs and the cost of a program coordinator;

(3) to purchase or lease optional external public address systems or video recording cameras for use on buses; and

(4) other activities or equipment that have been reviewed by the state school bus safety advisory committee and approved by the commissioner of public safety.

Subd. 2. [REPORTING.] Districts shall annually report expenditures from the student transportation safety reserved revenue to the commissioner of education, who shall provide the information to the school bus safety advisory committee.

Sec. 4. [123.7991] [SCHOOL BUS SAFETY TRAINING.]

Subdivision 1. [SCHOOL BUS SAFETY WEEK.] The first week of school is designated as school bus safety week.

A school board may designate one day of school bus safety week as school bus driver day.

Subd. 2. [STUDENT TRAINING.] (a) Each school district shall provide public school pupils enrolled in grades kindergarten through 12 with school bus safety training. The training shall be results-oriented and shall consist of both classroom instruction and practical training using a school bus. Upon completing the training, a student shall be able to demonstrate knowledge and understanding of at least the following competencies and concepts:

- (1) transportation by school bus is a privilege not a right;*
- (2) district policies for student conduct and school bus safety;*
- (3) appropriate conduct while on the bus;*
- (4) the danger zones surrounding a school bus;*
- (5) procedures for safely boarding and leaving a school bus;*
- (6) procedures for safe vehicle lane crossing; and*
- (7) school bus evacuation and other emergency procedures.*

(b) Student school bus safety training shall commence during school bus safety week. All students who are transported by school bus and are enrolled during the first week of school must demonstrate achievement of the school bus safety training competencies by the end of the third week of school. Students who enroll in a school after the first week of school and are transported by school bus shall undergo school bus safety training and demonstrate achievement of the school bus safety competencies within three weeks of the first day of attendance. The pupil transportation safety director in each district must certify to the commissioner of education annually by October 15 that all students transported by bus have satisfactorily demonstrated knowledge and understanding of the school bus safety competencies according to this section or provide an explanation for a student's failure to demonstrate the competencies. A school district may deny transportation to a student who fails to demonstrate the competencies, unless the student is unable to achieve the competencies due to a disability.

(c) A district must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

(d) A school district must also provide student safety education for bicycling and pedestrian safety.

Subd. 3. [MODEL TRAINING PROGRAM.] The commissioner of education shall develop a comprehensive model school bus safety training program for pupils who ride the bus that includes bus safety curriculum for both classroom and practical instruction, methods for assessing attainment of school bus safety competencies, and age-appropriate instructional materials.

Sec. 5. [123.7992] [NOTICE OF RECORDING DEVICE.]

If a video or audio recording device is placed on a school bus, the bus also must contain a sign or signs, conspicuously placed, notifying riders that their conversations or actions may be recorded on tape.

Sec. 6. [123.801] [BUS TRANSPORTATION A PRIVILEGE NOT A RIGHT.]

Transportation by school bus is a privilege not a right for an eligible student. A student's eligibility to ride a school bus may be revoked for a violation of school bus safety or conduct policies, or for violation of any other law governing student conduct on a school bus, pursuant to a written school district discipline policy. Revocation of a student's bus riding privilege is not an exclusion, expulsion, or suspension under the pupil fair dismissal act of 1974. Revocation procedures for a student who is an individual with a disability under the Individuals with Disabilities Education Act, United States Code, title 20, section 1400 et seq., section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336, are governed by these provisions.

Sec. 7. Minnesota Statutes 1992, section 124.223, is amended by adding a subdivision to read:

Subd. 11. [RULES.] The state board of education may amend rules relating to transportation aid and data.

Sec. 8. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

Subd. 7f. [RESERVED REVENUE FOR TRANSPORTATION SAFETY.]
A district shall reserve an amount equal to the greater of \$1,000 or one percent of the sum of the district's regular transportation revenue according to subdivision 7d, paragraph (a), and nonregular transportation revenue according to subdivision 7d, paragraph (b), for that school year to provide student transportation safety programs under section 3.

Sec. 9. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

Subd. 8m. [TRANSPORTATION SAFETY AID.]
A district's transportation safety aid equals the district's reserved revenue for transportation safety under subdivision 7f for that school year.

Sec. 10. Minnesota Statutes 1992, section 126.15, subdivision 4, is amended to read:

Subd. 4. [IDENTIFY, OPERATION.] Identification and operation of school safety patrols shall be uniform throughout the state and the method of

identification and signals to be used shall be as prescribed by the commissioner of public safety. *School safety patrol members may wear fluorescent reflective vests.*

Sec. 11. Minnesota Statutes 1992, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A school bus may be type I A, type B, type C, or type D, type H, or type III as follows:

(a) A "type I school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons.

(b) A "type II school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus.

(1) a "type A school bus" is a conversion or body constructed upon a van-type compact truck or a front-section vehicle, with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons;

(2) a "type B school bus" is a conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels;

(3) a "type C school bus" is a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, designated for carrying more than ten persons. All of the engine is in front of the windshield and the entrance door is behind the front wheels;

(4) a "type D school bus" is a body installed upon a chassis, with the engine mounted in the front, midship or rear, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus, behind the rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels; and

(e) (5) type III school buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" must not be outwardly equipped and identified as a school bus.

Sec. 12. Minnesota Statutes 1992, section 169.21, subdivision 2, is amended to read:

Subd. 2. [RIGHTS IN ABSENCE OF SIGNALS.] (a) Where traffic-control signals are not in place or in operation the driver of a vehicle shall yield the

right-of-way, slowing down or stopping if need be to so yield, to a pedestrian crossing the roadway within a crosswalk but no pedestrian shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield. This provision shall not apply under the conditions as otherwise provided in this subdivision.

(b) When any vehicle is stopped at a marked crosswalk or at any unmarked crosswalk at an intersection to permit a pedestrian to cross the roadway, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle.

(c) It is unlawful for any person to drive a motor vehicle through a column of school children crossing a street or highway or past a member of a school safety patrol, while the member of the school safety patrol is directing the movement of children across a street or highway and while the school safety patrol member is holding an official signal in the stop position. A person who violates this paragraph is guilty of a misdemeanor. A person who violates this paragraph a second or subsequent time within one year of a previous conviction under this paragraph is guilty of a gross misdemeanor.

Sec. 13. [169.435] [STATE SCHOOL BUS SAFETY ADMINISTRATION.]

Subdivision 1. [RESPONSIBILITY; DEPARTMENT OF PUBLIC SAFETY.] The department of public safety has the primary responsibility for school transportation safety. To oversee school transportation safety, the commissioner of public safety shall establish a school bus safety advisory committee according to subdivision 2. The commissioner or the commissioner's designee shall serve as state director of pupil transportation according to subdivision 3.

Subd. 2. [SCHOOL BUS SAFETY ADVISORY COMMITTEE.] The commissioner of public safety shall establish the school bus safety advisory committee. The commissioner shall provide the committee with meeting space and clerical support. The commissioner of public safety or the commissioner's designee shall chair the committee. The members of the committee also shall include:

- (1) the commissioner of education or the commissioner's designee;*
- (2) the commissioner of human rights or the commissioner's designee;*
- (3) a county or city attorney;*
- (4) a representative of the state patrol;*
- (5) a school board member;*
- (6) a school superintendent;*
- (7) two school bus drivers, one representing the metropolitan area and one representing greater Minnesota;*
- (8) two school transportation contractors, one representing the metropolitan areas and one representing greater Minnesota;*
- (9) two school transportation safety directors, one representing the metropolitan area and one representing greater Minnesota; and*

(10) five public members, including at least four parents of children who ride a school bus, among them a parent of a child with a disability. The public members shall be geographically representative.

The commissioner of public safety, in consultation with the commissioner of education, shall appoint the members listed in clauses (3) to (9). The governor shall appoint the public members in clause (10). Terms, compensation, and removal of committee members shall be according to section 15.059. The committee shall meet quarterly or as required by the chair.

The duties of the committee shall include:

(1) an annual report by January 15 to the governor and the education committees of the legislature, including recommendations for legislative action when needed, on student bus safety education, school bus equipment requirements and inspection, bus driver licensing, training, and qualifications, bus operation procedures, student behavior and discipline, rules of the road, school bus safety education for the public, or any other aspects of school transportation safety the committee considers appropriate;

(2) a quarterly review of all school transportation accidents, crimes, incidents of serious misconduct, incidents that result in serious personal injury or death, and bus driver dismissals for cause; and

(3) periodic review of school district comprehensive transportation safety policies.

Subd. 3. [PUPIL TRANSPORTATION SAFETY DIRECTOR.] The commissioner of public safety or the commissioner's designee shall serve as pupil transportation safety director.

The duties of the pupil transportation safety director shall include:

(1) overseeing all department activities related to school bus safety;

(2) assisting in the development, interpretation, and implementation of laws and policies relating to school bus safety;

(3) supervising preparation of the school bus inspection manual;

(4) in conjunction with the department of education, assisting school districts in developing and implementing comprehensive transportation policies; and

(5) providing information requested by the school bus safety advisory committee.

Sec. 14. [169.436] [SCHOOL DISTRICT BUS SAFETY RESPONSIBILITIES.]

Subdivision 1. [COMPREHENSIVE POLICY.] Each school district shall develop and implement a comprehensive, written policy governing pupil transportation safety. The policy shall, at minimum, contain:

(1) provisions for appropriate student bus safety training under section 4;

(2) rules governing student conduct on school buses and in school bus loading and unloading areas;

(3) a statement of parent or guardian responsibilities relating to school bus safety;

(4) provisions for notifying students and parents or guardians of their responsibilities and the rules;

(5) an intradistrict system for reporting school bus accidents or misconduct, a system for dealing with local law enforcement officials in cases of criminal conduct on a school bus, and a system for reporting accidents, crimes, incidents of misconduct, and bus driver dismissals to the department of public safety under section 24;

(6) a discipline policy to address violations of school bus safety rules, including procedures for revoking a student's bus riding privileges in cases of serious or repeated misconduct;

(7) a system for integrating school bus misconduct records with other discipline records;

(8) a statement of bus driver duties;

(9) planned expenditures for safety activities under section 3 and, where applicable, provisions governing bus monitor qualifications, training, and duties;

(10) rules governing the use and maintenance of type III vehicles, drivers of type III vehicles, and the circumstances under which a student may be transported in a type III vehicle;

(11) operating rules and procedures;

(12) provisions for annual bus driver in-service training and evaluation;

(13) emergency procedures; and

(14) a system for maintaining and inspecting equipment.

School districts are encouraged to use the current edition of the "National Standards for School Buses and Operations" published by the National Safety Council in developing safety policies. Each district shall submit a copy of its policy under this subdivision to the school bus safety advisory committee no later than August 1, 1994, and review and make appropriate amendments annually by August 1.

Subd. 2. [SCHOOL TRANSPORTATION SAFETY DIRECTOR.] Each school board shall designate a school transportation safety director to oversee and implement pupil transportation safety policies. The director shall have day-to-day responsibility for pupil transportation safety.

Sec. 15. Minnesota Statutes 1992, section 169.441, subdivision 3, is amended to read:

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

Except as provided in section 169.443, subdivision 8, the sign must be removed or covered when the vehicle is being used as other than a school bus.

Sec. 16. Minnesota Statutes 1992, section 169.442, subdivision 1, is amended to read:

Subdivision 1. [SIGNALS REQUIRED.] A type I A, B, C, or ~~type II~~ D school bus must be equipped with a stop signal arm, prewarning flashing amber signals, and flashing red signals.

Sec. 17. Minnesota Statutes 1992, section 169.443, subdivision 8, is amended to read:

Subd. 8. [USE FOR RECREATIONAL OR EDUCATIONAL ACTIVITY.] A school bus that transports over regular routes and on regular schedules persons age 18 or under to and from a regularly scheduled recreational or educational activity must comply with subdivisions 1 and 7. Notwithstanding section 169.441, subdivision 3, a school bus may provide such transportation only if (1) the "school bus" sign ~~required by section 169.443, subdivision 3,~~ is plainly visible; (2) the school bus has a valid certificate of inspection under section 169.451; (3) the driver of the school bus possesses a driver's license with a valid school bus endorsement under section 171.10; and (4) the entity that organizes the recreational or educational activity, or the contractor who provides the school buses to the entity, consults with the superintendent of the school district in which the activity is located or the superintendent's designee on the safety of the regular routes used.

Sec. 18. Minnesota Statutes 1992, section 169.445, subdivision 1, is amended to read:

Subdivision 1. [COOPERATION OF SCHOOL AUTHORITIES.] The ~~state board of education~~ *commissioner of public safety* shall ensure that local authorities having jurisdiction over school buses shall cooperate with law enforcement and judicial authorities in reporting and prosecuting violators of sections 169.443 and 169.444.

Sec. 19. Minnesota Statutes 1992, section 169.445, subdivision 2, is amended to read:

Subd. 2. [INFORMATION; RULES.] The ~~board~~ *commissioner* shall compile information regarding violations, prosecutions, convictions or other disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the ~~board~~ *commissioner*, local school authorities shall provide this information. The ~~board~~ *commissioner* may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Sec. 20. Minnesota Statutes 1992, section 169.446, subdivision 3, is amended to read:

Subd. 3. [DRIVER EDUCATION PROGRAMS.] The ~~state board of education~~ *commissioner of public safety* shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver education programs offered at public schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 21. Minnesota Statutes 1992, section 169.447, subdivision 6, is amended to read:

Subd. 6. [OVERHEAD BOOK RACKS.] Types I A, B, C, and II D school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus.

Sec. 22. [169.449] [SCHOOL BUS OPERATIONS.]

Subdivision 1. [RULES.] The commissioner of public safety, in consultation with the school bus safety advisory committee, shall adopt rules governing the operation of school buses used for transportation of school children, when owned or operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Subd. 2. [ENFORCEMENT.] The operation of a school bus on the public streets or highways in violation of rules concerning the operation of school buses adopted by the commissioner under subdivision 1 is a misdemeanor. The state patrol shall enforce rules adopted under subdivision 1 when a school bus is operated on a public street or highway.

Sec. 23. [169.4501] [SCHOOL BUS EQUIPMENT STANDARDS.]

Subdivision 1. [NATIONAL STANDARDS ADOPTED.] Except as provided in sections 36 and 37, the construction, design, equipment, and color of types A, B, C, and D school buses used for the transportation of school children shall meet the requirements of the "bus chassis standards" and "bus body standards" in the 1990 revised edition of the "National Standards for School Buses and Operations" adopted by the Eleventh National Conference on School Transportation and published by the National Safety Council. Except as provided in section 38, the construction, design, and equipment of types A, B, C, and D school buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus standards" in the 1990 National Standards for School Buses and Operations. The "bus chassis standards," "bus body standards," and "specially equipped school bus standards" sections of the 1990 revised edition of the "National Standards for School Buses and Operations" are incorporated by reference in this chapter.

Subd. 2. [APPLICABILITY.] (a) The standards adopted in this section and sections 36 and 37, govern the construction, design, equipment, and color of school buses used for the transportation of school children, when owned and operated by a school or privately owned and operated under a contract with a school, and these standards must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these standards.

(b) The standards apply to school buses manufactured after December 31, 1994. Buses complying with these standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before December 31, 1994, must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

Subd. 3. [INSPECTION MANUAL.] The department of public safety shall develop a school bus inspection manual based on the national standards

adopted in subdivision 1 and Minnesota standards adopted in sections 36, 37, and 38. The Minnesota state patrol shall use the manual as the basis for inspecting buses as provided in section 169.451. When appropriate, the school bus safety advisory committee shall recommend to the education committees of the legislature modifications to the standards upon which the school bus inspection manual is based. The department of public safety has no rulemaking authority to alter the standards upon which school buses are inspected.

Subd. 4. [VARIANCES.] The commissioner of public safety may grant a variance to any of the school bus standards to accommodate testing of new equipment related to school buses. A variance from the standards must be for the sole purpose of testing and evaluating new equipment for increased safety, efficiency, and economy of pupil transportation. The variance expires 18 months from the date on which it is granted unless the commissioner specifies an earlier expiration date. The school bus safety advisory committee shall annually review all variances that are granted under this subdivision and consider whether to recommend modifications to the Minnesota school bus equipment standards based on the variances.

Sec. 24. [169.452] [ACCIDENT AND SERIOUS INCIDENT REPORTING.]

The department of public safety shall develop uniform definitions of a school bus accident, an incident of serious misconduct, and an incident that results in personal injury or death. The department shall determine what type of information on school bus accidents and incidents, including criminal conduct, and bus driver dismissals for cause should be collected and develop a uniform accident and incident reporting form to collect those data, including data relating to type III vehicles, statewide. Data collected with this reporting form shall be analyzed to help develop accident, crime, and misconduct prevention programs.

Sec. 25. [169.454] [TYPE III VEHICLE STANDARDS.]

Subdivision 1. [STANDARDS.] This section applies to type III vehicles used for the transportation of school children when owned and operated by a school district or privately owned and operated. All related equipment provided on the vehicle must comply with federal motor vehicle safety standards where applicable. If no federal standard applies, equipment must be manufacturer's standard.

Subd. 2. [AGE OF VEHICLE.] Vehicles ten years or older must not be used as type III vehicles to transport school children, except those vehicles that are manufactured to meet the structural requirements of federal motor vehicle safety standard 222, Code of Federal Regulations, title 49, part 571.

Subd. 3. [COLOR.] Vehicles must be painted a color other than national school bus yellow.

Subd. 4. [FIRE EXTINGUISHER.] A minimum of one 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket, and must be located in the driver's compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.

Subd. 5. [FIRST AID KIT.] A minimum of a ten unit first aid kit is required. The bus must have a removable, moisture- and dust-proof first aid kit mounted

in an accessible place within the driver's compartment and must be marked to indicate its location.

Subd. 6. [IDENTIFICATION.] The vehicle must not have the words "school bus" in any location on the exterior of the vehicle, or in any interior location visible to a motorist.

The vehicle must display to the rear of the vehicle this sign: "VEHICLE STOPS AT RR CROSSINGS."

The lettering (except for "AT," which may be one inch smaller) must be a minimum two-inch "Series D" as specified in standard alphabets for highway signs as specified by the Federal Highway Administration. The printing must be in a color giving a marked contrast with that of the part of the vehicle on which it is placed.

The sign must have provisions for being covered, or be of a removable or fold-down type.

Subd. 7. [LAMPS AND SIGNALS.] Installation and use of the eight-lamp warning system is prohibited.

All lamps on the exterior of the vehicle must conform with and be installed as required by federal motor vehicle safety standard 108, Code of Federal Regulations, title 49, part 571.

Subd. 8. [STOP SIGNAL ARM.] Installation and use of a stop signal arm is prohibited.

Subd. 9. [MIRRORS.] The interior clear rearview mirror must afford a good view of pupils and roadway to the rear. Two exterior clear rearview mirrors must be provided, one to the left and one to the right of the driver. Each mirror must be firmly supported and adjustable to give the driver clear view past the left rear and the right rear of the bus.

Subd. 10. [WARNING DEVICE.] A type III bus must contain at least three red reflectorized triangle road warning devices. Liquid burning "pot type" flares are not allowed.

Subd. 11. [EMERGENCY DOORS.] The doors on type III buses must remain unlocked when carrying passengers.

Subd. 12. [OPTION.] Passenger cars and station wagons may carry fire extinguisher, first aid kit, and warning triangles in the trunk or trunk area of the vehicle, if a label in the driver and front passenger area clearly indicates the location of these items.

Sec. 26. [169.4581] [LAW ENFORCEMENT POLICY FOR CRIMINAL CONDUCT ON SCHOOL BUSES.]

By January 1, 1995, each local law enforcement agency shall adopt a written policy regarding procedures for responding to criminal incidents on school buses. In adopting a policy, each law enforcement agency shall consult with local school officials, with representatives of private companies that contract with school districts to provide transportation, and with parents of students. The policy must recognize that responding to reports of criminal conduct on school buses is the responsibility of law enforcement officials.

Sec. 27. [169.4582] [REPORTING INCIDENTS ON SCHOOL BUSES.]

Subdivision 1. [REPORTABLE OFFENSE; DEFINITION.] "Reportable offense" means misbehavior causing an immediate and substantial danger to self or surrounding persons or property under section 127.29.

Subd. 2. [DUTY TO REPORT; SCHOOL OFFICIAL.] Consistent with the school bus safety policy under section 169.436, subdivision 1, the school principal, the school transportation safety director, or other designated school official shall immediately report to the local law enforcement agency having jurisdiction where the misbehavior occurred and to the school superintendent if the reporting school official knows or has reason to believe that a student has committed a reportable offense on a school bus or in a bus loading or unloading area. The reporting school official shall issue a report to the commissioner of public safety concerning the incident, on a form developed by the commissioner for that purpose.

Sec. 28. Minnesota Statutes 1992, section 169.64, subdivision 8, is amended to read:

Subd. 8. [WHITE STROBE LAMPS.] Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) a school bus that is subject to and complies with the ~~color and~~ equipment requirements of sections 169.441, ~~subdivisions subdivision 1 and 2,~~ and 169.442, subdivision 1. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or

(2) a road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

The strobe lamp shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.

Sec. 29. Minnesota Statutes 1993 Supplement, section 171.321, subdivision 2, is amended to read:

Subd. 2. [RULES; QUALIFICATIONS AND TRAINING.] (a) The commissioner of public safety shall prescribe rules governing the ~~qualifications of individuals to drive school buses~~ physical qualifications of school bus drivers and tests required to obtain a school bus endorsement. The rules must provide that an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commer-

cial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations.

(b) The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the commissioner of education, a licensed driver training school, or by another person or entity approved by both commissioners.

Sec. 30. Minnesota Statutes 1992, section 171.321, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a school bus endorsement, the commissioner shall conduct a criminal *and driver's license* records check of the applicant. The commissioner may also conduct the check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository *and a check of the driver's license records system*. If the applicant has resided in Minnesota for less than five years, the check shall also include a criminal records check of information from the state law enforcement agencies in the states where the person resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting the records check is reasonable cause to deny an application or cancel a school bus endorsement. The commissioner may not release the results of the records check to any person except the applicant.

Sec. 31. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 4. [TRAINING.] *No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner. A bus driver must have training or experience that allows the driver to meet at least the following competencies:*

- (1) safely operate the type of school bus the driver will be driving;*
- (2) understand student behavior, including issues relating to students with disabilities;*
- (3) ensure orderly conduct of students on the bus and handle incidents of misconduct appropriately;*
- (4) know and understand relevant laws, rules of the road, and local school bus safety policies;*
- (5) handle emergency situations;*
- (6) safely load and unload students; and*

(7) demonstrate proficiency in first aid and cardiopulmonary resuscitation procedures.

The commissioner of public safety, in conjunction with the commissioner of education, shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety.

Sec. 32. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 5. [ANNUAL EVALUATION.] A school district, nonpublic school, or private contractor shall evaluate each bus driver annually to assure that, at minimum, each driver continues to meet school bus driver training competencies under subdivision 4. A school district, nonpublic school, or private contractor also shall provide at least eight hours of in-service training annually to each school bus driver. As part of the annual evaluation, a district, nonpublic school, or private contractor shall check the license of each person who transports students for the district with the National Drivers Register or the department of public safety. A school district, nonpublic school, or private contractor shall certify annually to the commissioner of public safety that each driver has received eight hours of in-service training and has met the training competencies.

Sec. 33. Minnesota Statutes 1992, section 171.3215, is amended to read:

171.3215 [CANCELING BUS DRIVER'S ENDORSEMENT FOR CRIME AGAINST MINOR CERTAIN OFFENSES.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(4) (b) "School bus driver" means a person possessing a school bus driver's endorsement on a valid Minnesota driver's license or a person possessing a valid Minnesota driver's license who drives a vehicle with a seating capacity of ten or less persons used as a school bus.

(2) "Crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.

(c) "Disqualifying offense" includes any felony offense, any misdemeanor, gross misdemeanor, or felony violation of chapter 152, any violation under section 609.3451, 609.746, subdivision 1, or 617.23, or a fourth moving violation within a three-year period.

Subd. 2. [CANCELLATION.] ~~The commissioner~~ Within 10 days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has ~~committed been convicted of a crime against a minor~~ disqualifying offense, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license. *Within ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has been convicted of a gross misdemeanor or a violation of section 169.121 or 169.129, and within ten days of revoking a school bus driver's license under*

section 169.123, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license for five years. After five years, cancellation of a school bus driver's endorsement for a conviction under section 169.121 or 169.129 shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. Upon canceling the offender's school bus driver's endorsement, the ~~department~~ commissioner shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Subd. 3. [BACKGROUND CHECK.] Before issuing or renewing a driver's license with a school bus driver's endorsement, the ~~department~~ commissioner shall conduct an investigation to determine ~~whether~~ if the applicant has been convicted of committing a ~~crime against a minor~~ disqualifying offense, a violation of section 169.121 or 169.129, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. The ~~department~~ commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a ~~crime against a minor~~ disqualifying offense. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if, within the previous five years, the applicant has been convicted of committing a violation of section 169.121 or 169.129, or a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. An applicant who has been convicted of violating section 169.121 or 169.129 within the previous ten years must show proof of successful completion of an alcohol or controlled substance treatment program in order to receive a bus driver's endorsement.

Subd. 4. [WAIVER OF PERMANENT CANCELLATION.] The commissioner of public safety, in consultation with the school bus safety advisory committee, may waive the permanent cancellation requirement of section 171.3215 for a person convicted of a nonfelony violation of chapter 152 or a felony that is not a violent crime under section 609.152.

Sec. 34. Minnesota Statutes 1992, section 631.40, subdivision 1a, is amended to read:

Subd. 1a. When a person is convicted of committing a ~~crime against a minor~~ disqualifying offense, as defined in section 171.3215, subdivision 1, a gross misdemeanor, or a violation of section 169.121 or 169.129, the court shall ~~order that the presentence investigation include information about~~ determine whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the school districts in which the offender drives a school bus *within ten days after the conviction.*

Sec. 35. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. [REPEALER.]

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, sub-

parts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b) Minnesota Rules, parts 3520.1600; ~~3520.2400; 3520.2500; 3520.2600; 3520.2800;~~ 3520.2900; 3520.3000; ~~3520.3100;~~ 3520.3200; ~~3520.3400;~~ 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; 3520.5920; 3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800, are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600; ~~and 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.3100; 3520.3400; and chapter 3560,~~ are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800;

3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400;
 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000;
 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700;
 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200;
 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700;
 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400;
 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902;
 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500;
 8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506;
 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512;
 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710;
 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050;
 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120;
 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180;
 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300;
 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410;
 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620;
 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800;
 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900;
 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220;
 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340;
 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500;
 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700;
 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900;
 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000;
 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120;
 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100;
 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700,
 are repealed.

Sec. 36. [ADDITIONAL MINNESOTA SCHOOL BUS CHASSIS STANDARDS.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The bus chassis standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.4501. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.4501, the Minnesota standard contained in this section is controlling.

Subd. 2. [BRAKES.] The braking system must include an emergency brake. The braking system must meet federal motor vehicle safety standards in effect at the time of manufacture. All buses manufactured with air brakes after January 1, 1995, shall have automatic slack adjusters.

Subd. 3. [CERTIFICATION.] A chassis manufacturer shall certify that the product meets Minnesota standards. All buses with a certified manufacturing date prior to April 1, 1977, shall not be recertified as a school bus after January 1, 1996.

Subd. 4. [COLOR.] Fenders may be painted black. The hood may be painted nonreflective black or nonreflective yellow. The grill may be manufacturer's standard color.

Subd. 5. [ELECTRICAL SYSTEM; BATTERY.] (a) The storage battery, as established by the manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal devices, heating, and other electrical equipment.

In a bus with a gas-powered chassis, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050 cold cranking amperes.

(b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and type C and D buses, the battery shall be temporarily mounted on the chassis frame. The final location of the battery and the appropriate cable lengths in these buses must comply with the SBMI design objectives booklet.

(c) All batteries shall be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than are powered by diesel fuel, a battery providing at least 550 cold cranking amperes may be installed in the engine compartment only if used in combination with a generator or alternator of at least 120 amperes.

(e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be equipped with a battery to provide a minimum of 550 cold cranking amperes only if used in combination with an alternator of at least 80 amperes. This paragraph does not apply to those buses with wheel chair lifts or diesel engines.

Subd. 6. [ELECTRICAL SYSTEM; ALTERNATOR.] *A bus must be capable of providing enough current at 1400 rpms to provide a positive charge to the battery with 80 percent of maximum load with all lights and accessories on. A type B bus with a gross vehicle weight rating of up to 15,000 pounds equipped with an electrical power lift must have a minimum 100 ampere per hour alternator. If not protected by a grommet, wiring passing through holes must be encased in an abrasive-resistant protective covering.*

Subd. 7. [EXHAUST SYSTEM.] *The tailpipe must:*

(1) extend to but not more than one inch beyond the bumper and be mounted outside of the chassis frame rail; or

(2) extend to but not more than one inch beyond the left side of the bus, behind the driver's compartment. A type A bus and a type B bus with a gross vehicle weight rating under 15,000 pounds, shall comply with the manufacturer's standard. No exhaust pipe may exit beneath an emergency exit, or, on a type C or type D bus, under the fuel fill location. No exhaust pipe shall be reduced in size beyond the muffler.

Subd. 8. [FRAME.] *Installation of a trailer hitch is permitted. A hitch shall be flush mounted.*

Subd. 9. [FUEL TANK.] *If mounted behind the rear wheels, the fuel tank on a vehicle constructed with a power lift unit shall be between the frame rails. Fuel tanks for a type A bus and for a type B bus with a gross vehicle weight rating under 15,000 pounds may be manufacturer standard and must conform with federal motor vehicle safety standard number 301, Code of Federal Regulations, title 49, part 571.*

Subd. 10. [HORN.] *A bus shall be equipped with a horn in good working order and capable of emitting sound audible under normal conditions from a distance of not less than 200 feet.*

Subd. 11. [TIRES AND RIMS.] Radial and bias ply tires shall not be used on the same axle. Front tire tread depth shall not be less than 4/32 inch in any major tire tread groove. Rear tire tread shall not be less than 2/32 inch. Tires must be measured in three locations around the tire, in two adjoining grooves. No recapped tires shall be used on the front wheels. Recapped tires are permitted on the rear wheels.

Subd. 12. [TRANSMISSION.] The transmission shifting pattern must be permanently displayed in the driver's full view.

Sec. 37. [ADDITIONAL MINNESOTA SCHOOL BUS BODY STANDARDS.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The bus body standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450, and section 36. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. [BACKUP WARNING ALARM.] A spring-loaded button in the driver's compartment that will temporarily disable the backup alarm is allowed for usage in school bus overnight parking lots and repair facilities.

Subd. 3. [BUMPER; FRONT.] On a type D school bus, the bumper shall conform to federal motor vehicle safety standards.

Subd. 4. [CERTIFICATION.] A body manufacturer shall certify that the product meets Minnesota standards.

Subd. 5. [COLOR.] Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails shall be black. The reflective material on the sides of the bus body shall be at least one inch but not more than two inches in width. This reflective material requirement and the requirement that "SCHOOL BUS" signs have reflective material as background are effective for buses manufactured after January 1, 1996.

Subd. 6. [COMMUNICATIONS.] All buses manufactured after January 1, 1995, shall have a two-way voice communications system.

Subd. 7. [CONSTRUCTION.] The metal floor shall be covered with plywood. The plywood shall be at least 19/32 inches thick, and must equal or exceed properties of exterior-type softwood plywood, grade C-D, as specified in product standard PSI-I83 issued by the United States Department of Commerce. The floor shall be level from front to back, and side to side, except in wheel housing, toe board, and driver's seat platform areas.

Subd. 8. [DEFROSTERS.] Except as provided in this subdivision, defrosters and two auxiliary fans must direct a sufficient flow of heated air and shall be of sufficient capacity to keep the windshield, window to the left of the driver, and glass in the entrance door clear of fog, frost, and snow. A type A or type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with one auxiliary fan.

Subd. 9. [DOORS; SERVICE DOOR.] A type B bus with a gross vehicle weight rating of 15,000 pounds or over may not have a door to the left of the driver. A type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with chassis manufacturer's standard door.

Subd. 10. [EMERGENCY EQUIPMENT; FIRE EXTINGUISHERS.] The fire extinguisher must have at least a 10BC rating.

Subd. 11. [EMERGENCY EQUIPMENT; WARNING DEVICES.] A flash-light with a minimum of two "C" batteries shall be included as part of the emergency equipment. Each bus equipped with seat belts for pupil passengers shall contain a seat belt cutter for use in emergencies. The belt cutter must be designed to eliminate the possibility of injury during use, and must be secured in a safe location.

Subd. 12. [HEATERS.] The heating system shall be capable of maintaining the temperature throughout the bus of not less than 50 degrees Fahrenheit during average minimum January temperature as established by the United States Department of Commerce. In a bus with a combustion heater, the heater must be installed by the body manufacturer, by an authorized dealer or authorized garage, or by a mechanic trained in the procedure.

Subd. 13. [IDENTIFICATION.] (a) Each bus shall, in the beltline, identify the school district serviced, or company name, or owner of the bus. Numbers necessary for identification must appear on the sides and rear of the bus. Symbols or letters may be used on the outside of the bus near the entrance door for student identification. A manufacturer's nameplate may be placed on the side of the bus near the entrance door and on the rear.

(b) Effective December 31, 1994, all buses sold must display lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The lettering shall be in two-inch black letters on school bus yellow background. This message shall be displayed directly below the upper window of the rear door. On rear engine buses, it shall be centered at approximately the same location. Only signs and lettering approved or required by state law may be displayed.

Subd. 14. [INSULATION.] (a) Ceilings and wall shall be insulated to a minimum of one and one-half inch fiberglass and installed so the insulation does not compact or sag. Floor insulation must be nominal 19/32 inches thick plywood, or a material of equal or greater strength and insulation R value that equals or exceeds properties of exterior-type softwood plywood, C-D grade as specified in standard issued by the United States Department of Commerce. Type A and B buses with a gross vehicle weight rating under 15,000 pounds must have a minimum of one-half inch plywood. All exposed edges on plywood shall be sealed. Every school bus shall be constructed so that the noise level taken at the ear of the occupant nearest to the primary vehicle noise source shall not exceed 85 dba when tested according to procedures in the 1990 national standards for school buses and operations.

(b) The underside of metal floor may be undercoated with polyurethane floor insulation, foamed in place. The floor insulation must be combustion resistant. The authorization in this paragraph does not replace the plywood requirement.

Subd. 15. [INTERIOR.] Interior speakers, except in the driver's compartment, must not protrude more than one-half inch from the mounting surface.

Subd. 16. [LAMPS AND SIGNALS.] (a) Each school bus shall be equipped with a system consisting of four red signal lamps designed to conform to SAE Standard J887, and four amber signal lamps designed to that standard, except for color, and except that their candlepower must be at least

2-1/2 times that specified for red turn signal lamps. Both red and amber signal lamps must be installed in accordance with SAE Standard J887, except that each amber signal lamp must be located near each red signal lamp, at the same level, but closer to the centerline of the bus. The system must be wired so that the amber signal lamps are activated only by hand operation, and if activated, are automatically deactivated and the red signal lamps are automatically activated when the bus entrance door is opened. Signal lamps must flash alternately. Each signal lamp must flash not less than 60 nor more than 120 flashes per minute. The "on" period must be long enough to permit filament to come up to full brightness. There must be a pilot lamp which goes on when the respective amber or red system is activated. The pilot lamp must either go out or flash at an alternate rate in the event the system is not functioning normally. The signal lamp system must include a closed control box. The box must be as small as practical, and must be easily dismantled or partially disassembled to provide access for maintenance purposes. The control panel box shall be arranged such that the momentary activating switch for the eight-lamp warning system shall be located on the left, the red (or red and amber) pilot light shall be located in the middle, and the eight-way master switch shall be located on the right. The control box must be securely mounted to the right of the steering wheel, within easy unobstructed reach of the driver. Switches and pilot lamp must be readily visible to the driver. The activating switch may be self-illuminated. Other warning devices or lamp controls must not be placed near the lamp control. The stop arm shall extend automatically whenever the service entrance door is opened and the eight-way lights are activated.

(b) If installed, a white flashing strobe shall be of a double flash type and have minimum effective light output of 200 candelas. No roof hatch can be mounted behind the strobe light.

(c) Type B, C, and D buses shall have an amber clearance lamp with a minimum of four candlepower mounted on the right side of the body at approximately seat level rub rail height just to the rear of the service door and another one at approximately opposite the driver's seat on the left side. These lamps are to be connected to operate only with the regular turn signal lamps.

(d) All lamps on the exterior of the vehicle must conform with and be installed as required by federal motor vehicle safety standard number 108, Code of Federal Regulations, title 49, part 571.

(e) A type A, B, C, or D school bus manufactured for use in Minnesota after December 31, 1994, may not be equipped with red turn signal lenses on the rear of the bus.

Subd. 17. [MIRRORS.] A type B bus with a gross vehicle weight rating less than 15,000 pounds shall have a minimum of six-inch by 16-inch mirror. A type B bus with a gross vehicle weight rating over 15,000 pounds shall have a minimum of a six-inch by 30-inch mirror. After January 1, 1995, all school buses must be equipped with a minimum of two crossover mirrors, mounted to the left and right sides of the bus.

Subd. 18. [OVERALL WIDTH.] The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 19. [RUB RAILS.] There shall be one rub rail at the base of the skirt of the bus on all type B, C, and D buses.

Subd. 20. [SEAT AND CRASH BARRIERS.] All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics. All seats must face forward. All seat and crash barriers must be installed according to and conform to federal motor vehicle safety standard number 222, Code of Federal Regulations, title 49, part 571.

Subd. 21. [STOP SIGNAL ARM.] The stop signal arm shall be installed near the front of the bus.

Subd. 22. [SUN SHIELD.] A type A bus and a type B bus with a gross vehicle weight rating less than 15,000 pounds must be equipped with the standard manufacturer's solid visor is acceptable or a six-inch by 16-inch sun shield.

Subd. 23. [WINDOWS.] Windshield, entrance, and rear emergency exit doors must be of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) is permitted in all other windows. All glass shall be federally approved and marked as provided in Minnesota Statutes, section 169.74. The windshield may be of uniform tint throughout or may have a horizontal gradient band starting slightly above the line of vision and gradually decreasing in light transmission to 20 percent or less at the top of the windshield. The use of tinted glass, as approved by Minnesota Statutes, section 169.71, is permitted on side windows and rear windows except for the entrance door, the first window behind the service door, and the window to the left of the driver. The window to the left of the driver, the upper service door windows, and the window immediately behind the entrance door must be thermal glass. The window to the left of the driver for type A and B buses with a gross vehicle weight rating under 15,000 pounds need not be thermal glass.

Subd. 24. [WIRING.] If not protected by a grommet, wire that passes through holes shall be encased in an abrasive-resistant protective covering. If a master cutoff switch is used, it shall not be wired as to kill power to the electric brake system.

Sec. 38. [ADDITIONAL MINNESOTA STANDARDS FOR SPECIALLY EQUIPPED SCHOOL BUSES.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The specially equipped school bus standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. [COMMUNICATIONS.] All vehicles used to transport disabled students shall be equipped with a two-way communication system.

Subd. 3. [RESTRAINING DEVICES.] Special restraining devices such as shoulder harnesses, lap belts, and chest restraint systems may be installed to the seats if the devices do not require the alteration in any form of the seat, seat cushion, framework, or related seat components. The restraints must be for the sole purpose of restraining students with disabilities.

Subd. 4. [SECUREMENT SYSTEM FOR MOBILE SEATING.] Wheelchair securement devices must comply with all requirements for wheelchair securement systems contained in federal regulation in effect on the later of the date the bus was manufactured or the date that a wheelchair securement system was added to the bus.

Sec. 39. [OPERATIONS RULES; CONTINUED EFFECT.]

Notwithstanding Minnesota Statutes 1992, section 14.05, subdivision 1, Minnesota Rules 1991, parts 3520.2400, 3520.2500, 3520.2600, 3520.2800, 3520.3100, and 3520.3400, remain in effect prior to June 30, 1995, until the commissioner of public safety adopts rules relating to school bus operations.

Sec. 40. [CURRENT BUS DRIVER TRAINING TIMELINE.]

A school bus driver hired before the effective date of section 31 must meet the training competencies during the driver's first annual evaluation under section 32.

Sec. 41. [APPROPRIATION; DEPARTMENT OF EDUCATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal year designated.

Subd. 2. [STUDENT TRANSPORTATION SAFETY.] For student transportation safety aid according to Minnesota Statutes, section 124.225, subdivision 8m:

\$2,985,000 1995

Sec. 42. [APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY.]

Subdivision 1. [DEPARTMENT OF PUBLIC SAFETY.] The sums indicated in this section are appropriated from the general fund to the commissioner of public safety for the fiscal year designated.

Subd. 2. [SAFETY ADVISORY COMMITTEE.] For the school bus safety advisory committee according to Minnesota Statutes, section 169.44:

\$15,000 1995

Sec. 43. [REPEALER.]

Minnesota Statutes 1992, sections 169.441, subdivision 2; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; and 169.45, are repealed. Minnesota Statutes 1993 Supplement, section 123.80, is repealed.

Minnesota Rules, parts 3520.3600 and 3520.3700, are repealed.

If enacted, 1994 S.F. No. 2913, article 4, section 81, is repealed.

ARTICLE 13**CONFORMING AMENDMENTS**

Section 1. Minnesota Statutes 1992, section 121.908, subdivision 5, is amended to read:

Subd. 5. All governmental units formed by joint powers agreements entered into by districts pursuant to section 120.17, 120.1701, 123.351, 471.59, or any other law and all educational cooperative service units and education districts shall be subject to the provisions of this section.

Sec. 2. Minnesota Statutes 1992, section 122.91, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

- (1) at least five districts;
- (2) at least four districts with a total of at least 5,000 pupils in average daily membership; or
- (3) at least four districts with a total of at least 2,000 square miles.

Members of an education district must be contiguous. Districts with a cooperation agreement according to section 122.541 may belong to an education district only as a unit.

A noncontiguous district may be a member of an education district if the state board of education determines that:

- (1) a district between the education district and the noncontiguous district has considered and is unwilling to become a member; or
- (2) a noncontiguous configuration of member districts has sufficient technological or other resources to offer effective levels of programs and services required under sections 122.94, subdivision 2, and 122.945.

Sec. 3. Minnesota Statutes 1992, section 122.937, subdivision 4, is amended to read:

Subd. 4. [JOINDER AND WITHDRAWAL.] (a) ~~Notwithstanding section 122.91, subdivision 5,~~ A member district of an education district that has entered into a collective bargaining agreement negotiated by the education district under this section may withdraw from the education district only at the end of a two-year period for which the collective bargaining agreement is in effect. A member district withdrawing under this subdivision must notify the education district board at least 365 days before withdrawing. The teachers in a withdrawing member district are governed by the collective bargaining agreement in effect for the education district until a successor agreement is negotiated by the withdrawing district.

(b) ~~Notwithstanding section 122.91, subdivision 5,~~ A school district may join an education district that has entered into a collective bargaining agreement negotiated by the education district under this section only at the end of the two-year period for which the collective bargaining agreement is in effect.

Sec. 4. Minnesota Statutes 1992, section 123.932, subdivision 11, is amended to read:

Subd. 11. "Health services" means physician, dental, nursing or optometric services provided to pupils in the field of physical or mental health; provided the term does not include direct educational instruction, services which are required pursuant to ~~section~~ sections 120.17 and 120.1701, or services which are eligible to receive special education aid pursuant to section 124.32.

Sec. 5. Minnesota Statutes 1992, section 124.223, subdivision 4, is amended to read:

Subd. 4. [PUPILS WITH DISABILITIES.] State transportation aid is authorized for transportation or board and lodging of a pupil with a disability when that pupil cannot be transported on a regular school bus, the conveying of pupils with a disability between home or a respite care facility and school

and within the school plant, necessary transportation of pupils with a disability 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~~ sections 120.17 and 120.1701 are provided, within or outside the district where services are provided, and necessary transportation for resident pupils with a disability required by ~~section~~ sections 120.17, subdivision 4a, and 120.1701. Transportation of pupils with a disability between home or a respite care facility and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in subdivision 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.

Sec. 6. Minnesota Statutes 1992, section 124.223, subdivision 6, is amended to read:

Subd. 6. [SHARED TIME.] State transportation aid is authorized for transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs, and necessary transportation required by ~~section~~ sections 120.17, subdivision 9, and 120.1701 for resident pupils with a disability who are provided special instruction and services on a shared time basis.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (c), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, ~~paragraph (c) clause (5)~~, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone.

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards.

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by ~~section~~ sections 120.17 and 120.1701 is provided.

(d) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(e) "Current year" means the school year for which aid will be paid.

(f) "Base year" means the second school year preceding the school year for which aid will be paid.

(g) "Base cost" means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in paragraph (b) plus the actual cost in the base year for excess transportation as defined in paragraph (c);

(2) to the sum of the number of weighted FTE's in the regular and excess categories in the base year.

(h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of FTE's in the regular and excess categories in the base year.

- (2) Raise the result in clause (1) to the one-fifth power.
- (3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

- (1) Multiply the district's sparsity index by 20.
- (2) Select the lesser of one or the result in clause (1).
- (3) Multiply the district's percentage of regular FTE's in the current year using vehicles that are not owned by the school district by the result in clause (2).

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 8. Minnesota Statutes 1992, section 124.2721, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An education district is eligible for education district revenue if the department certifies that it meets the requirements of ~~sections~~ section 122.91, subdivisions 3 and 4, and ~~122.945~~. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Sec. 9. Minnesota Statutes 1992, section 124.2721, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] Education district revenue is under the control of the education district board. Education district revenue must be used by the education district board to provide educational programs according to the agreement adopted by the education district board, as required by section 122.94.

The education district board may pay to member school districts a part of the education district revenue received by the education district under this section only for programs that are (1) available to all member districts, and (2) included in the five-year plan under section 122.945.

Sec. 10. Minnesota Statutes 1992, section 124.32, subdivision 7, is amended to read:

Subd. 7. [PROGRAM AND AID APPROVAL.] Before June 1 of each year, each district providing special instruction and services to children with a disability shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of children with a disability in the district who will receive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability pursuant to ~~section~~ sections 120.17 and 120.1701. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel determined to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31 the commissioner shall approve, disapprove or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of children with a disability in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time the commissioner determines that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 11. Minnesota Statutes 1992, section 127.43, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] For the purposes of providing instruction to children with a disability under ~~section~~ sections 120.17 and 120.1701, this section, and section 127.44, the following terms have the meanings given them.

Sec. 12. Minnesota Statutes 1992, section 136D.23, subdivision 2, is amended to read:

Subd. 2. [LIABILITY.] Except as to certificates of indebtedness or bonds issued under ~~sections 136D.27 and~~ section 136D.28 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

Sec. 13. Minnesota Statutes 1992, section 136D.26, is amended to read:

136D.26 [DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.]

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.27,~~ The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.

Sec. 14. Minnesota Statutes 1992, section 136D.74, subdivision 2a, is amended to read:

Subd. 2a. [PROHIBITED LEVIES.] Notwithstanding subdivision 4, ~~section 136D.73, subdivision 3,~~ or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by sections 124.2727, 124.83, subdivision 4, 127.05, 136C.411, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 124.912, subdivision 1.

Sec. 15. Minnesota Statutes 1992, section 136D.83, subdivision 2, is amended to read:

Subd. 2. [LIABILITY.] Except as to certificates of indebtedness or bonds issued under section ~~136D.87~~ or 136D.89 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

Sec. 16. Minnesota Statutes 1992, section 136D.86, is amended to read:

136D.86 [DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.]

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.87,~~ The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.

Sec. 17. Minnesota Statutes 1992, section 171.01, subdivision 22, is amended to read:

Subd. 22. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

- (1) has a gross vehicle weight of more than 26,000 pounds;
- (2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;
- (3) is a bus;
- (4) is of any size and is used in the transportation of hazardous materials, except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks a total of not more than 200 gallons of liquid fertilizer and petroleum products; or
- (5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.01, subdivision 6, ~~paragraph (c)~~ clause (5).

Sec. 18. Minnesota Statutes 1993 Supplement, section 245.492, subdivision 10, is amended to read:

Subd. 10. [INTERAGENCY EARLY INTERVENTION COMMITTEE.] "Interagency early intervention committee" refers to the committee established under section ~~120.17~~ 120.1701, subdivision ~~4~~ 5.

Sec. 19. Minnesota Statutes 1992, section 252.21, is amended to read:

252.21 [COUNTY BOARDS MAY MAKE GRANTS FOR DEVELOPMENTAL ACHIEVEMENT CENTER SERVICES FOR CHILDREN WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

In order to assist county boards in carrying out responsibilities for the provision of daytime developmental achievement center services for eligible children, the county board or boards are hereby authorized to make grants, within the limits of the money appropriated, to developmental achievement centers for services to children with mental retardation or related conditions. In order to fulfill its responsibilities to children with mental retardation or related conditions as required by sections 120.17, 120.1701, and 256E.08, subdivision 1, a county board may, beginning January 1, 1983, contract with developmental achievement centers or other providers.

ARTICLE 14

BURNSVILLE

Section 1. Minnesota Statutes 1992, section 124.242, is amended to read:
124.242 [BUILDING BONDS FOR CALAMITIES.]

Subdivision 1. [BONDS.] When a building owned by a school district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted health and safety program. Each year the district must pledge an attributable share of its health and safety revenue to the repayment of principal and interest on the bonds. The pledged revenue shall be transferred to the debt redemption fund of the district. The district shall submit to the department of education the repayment schedule for any bonds issued under this section. The district shall deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:

- (1) insurance proceeds;
- (2) restitution proceeds; and
- (3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit a combined application to the commissioner of education for health and safety revenue, according to section 124.83, and requesting review and comment, according to section 121.15, subdivisions 6, 7, 8, and 9. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 121.15, subdivision 9, do not apply to bonds issued under this section.

Subd. 2. [HEALTH AND SAFETY REVENUE.] *For any fiscal year where the total amount of health and safety revenue is limited, the commissioner of*

education shall award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

Sec. 2. Laws 1993, chapter 224, article 5, section 46, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY AID.] (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,260,000 1994

\$18,924,000 1995

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 24.

(c) \$60,000 of each year's appropriation shall be used to contract with the state fire marshal to provide services under Minnesota Statutes, section 121.502. This amount is in addition to the amount for this purpose in article 11.

(d) For fiscal year 1995, the sum of total health and safety revenue and levies under section 3 may not exceed \$64,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. *In addition to the criteria developed by the state board of education, for any health and safety revenue authority that is redistributed, the commissioner shall place highest priority on requests for health and safety revenue to address calamities. The commissioner may request documentation as necessary from school districts for the purpose of reestablishing health and safety revenue priorities.*

(e) Notwithstanding section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount ~~and~~, the projected deficit in the appropriation for debt service aid, ~~and the amount of the transfer must be determined and the transfer made~~ as of November 1, ~~1994~~ 1993. *The projections and the amount of the transfer may be revised to reflect corrected data as of June 1, 1994. The transfer must be made as of July 1, 1994.* The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committees of the house of representatives and senate.

Sec. 3. [WAIVER OF RULES AND STATUTES.]

Upon approval of the commissioner of education, for the 1993-1994 school year only, independent school district No. 191, Burnsville, may provide a shorter school day than required by Minnesota Rules, part 3500.1200, and may offer fewer instructional days and maintain school for fewer required days than specified by Minnesota Statutes, sections 120.101, subdivision 5b, and 124.19, and is not subject to a general education aid reduction.

Sec. 4. [APPROPRIATIONS.]

\$500,000 is appropriated from the general fund to the commissioner of education in fiscal year 1995 to make a grant to independent school district No. 191, Burnsville.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE 15

TECHNICAL COLLEGES

Section 1. [TECHNICAL COLLEGE FUNDING SHIFT.]

\$24,000,000 is appropriated in fiscal year 1995 from the general fund to the state board of technical colleges to eliminate the funding shift under Minnesota Statutes 1992, section 136C.36, and to provide 100 percent funding in the year for which it is appropriated."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

House Conferees: (Signed) Kathleen Vellenga, Gerald J. "Jerry" Bauerly, Alice M. Johnson

Senate Conferees: (Signed) Lawrence J. Pogemiller, Jerry R. Janezich, Sandra L. Pappas, Martha R. Robertson

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2189 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. 2189 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 62 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, J.E.	Hanson	Larson	Oliver	Solon
Berg	Hottinger	Lesewski	Pappas	Spear
Berglin	Janezich	Lessard	Pariseau	Stevens
Bertram	Johnson, D.E.	Luther	Piper	Stumpf
Betzold	Johnson, D.J.	Marty	Pogemiller	Terwilliger
Chandler	Johnson, J.B.	McGowan	Price	Vickerman
Chmielewski	Johnston	Merriam	Ranum	Wiener
Cohen	Kelly	Metzen	Reichgott Junge	
Day	Kiscaden	Moe, R.D.	Riveness	
Dille	Knutson	Mondale	Robertson	

Mr. Benson, D.D. voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1512, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1512: A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting town elections to be held in November; making uniform certain local government procedures; providing for the identification of judicial offices; authorizing special elections to be conducted by mail ballot; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 204B.14, subdivision 8; 204B.36, subdivision 4; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 206.90, subdivision 6; 365.51, subdivisions 1 and 3; and 367.03; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 410.21.

Senate File No. 1512 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1994

CALL OF THE SENATE

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3041, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3041 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 3041

A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes

1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.553; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

May 6, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 3041, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 3041 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] (a) The Minnesota amateur sports commission consists of 12 voting members, four of whom must be experienced in promoting amateur sports. Nine of the voting members shall be appointed by the governor to three-year terms. *Of the total commission membership, including voting and nonvoting members, one member must reside in each of the state's congressional districts. Two* Four legislators, ~~one~~ two from each house appointed according to its rules, shall be nonvoting members. *One member from each house shall be from the minority caucus.* Compensation and removal of members and the filling of membership vacancies are as provided in section 15.0575. A member may be reappointed. The governor shall appoint the chair of the commission after consideration of the commission's recommendation.

(b) The governor, speaker of the house of representatives, and senate majority leader shall each appoint one additional voting member to the commission to a two-year term. The purpose of adding three members to the commission is to ensure gender balance in commission membership. Compensation, removal, and filling of vacancies of members appointed under this paragraph are as provided in section 15.0575. A member appointed under this paragraph may be reappointed.

Sec. 2. Minnesota Statutes 1992, section 473.551, is amended to read:

473.551 [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 473.551 to 473.595 473.599, the following terms shall have the meanings given in this section.

Subd. 2. [CITIES.] “Cities” means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 3. [COMMISSION.] "Commission" means the metropolitan sports facilities commission.

Subd. 4. [METRODOME DEBT SERVICE.] "Metrodome debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.581 ~~or assumed by the council or for which the council is obligated under section 473.564.~~

Subd. 5. [METROPOLITAN SPORTS AREA.] "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon, ~~now including the met center, owned by the cities on May 17, 1977, the date of enactment of sections 473.551 to 473.595, and since transferred to the commission pursuant to sections 473.551 to 473.595.~~

Subd. 6. [METROPOLITAN SPORTS AREA COMMISSION.] "Metropolitan sports area commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities ~~are now parties~~ were parties on May 17, 1977.

Subd. 7. [MULTIPURPOSE SPORTS FACILITY.] "Multipurpose sports facility" means a single unit sports facility suitable for university or major league professional baseball, football, and soccer.

Subd. 8. [SPORTS FACILITY OR SPORTS FACILITIES.] "Sports facility" or "sports facilities" means real or personal property comprising a stadium ~~or~~, stadiums, or arenas suitable for university or major league professional baseball ~~or~~, for university or major league professional football and soccer, or for both, ~~or for university or major league hockey or basketball, or for both,~~ together with adjacent parking facilities, ~~including on the effective date of this act, the metrodome, the met center, and, upon acquisition by the commission, the basketball and hockey arena.~~

Subd. 9. [METRODOME.] "Metrodome" means the Hubert H. Humphrey Metrodome located in the city of Minneapolis constructed and owned by the commission and financed by the bonds of the council issued pursuant to sections 473.551 to 473.595, including all real estate, buildings, improvements, and equipment in and on them.

Subd. 10. [BASKETBALL AND HOCKEY ARENA.] "Basketball and hockey arena" means the indoor arena building currently occupied and utilized for the playing of university or major league basketball, hockey, and other purposes located in the city of Minneapolis, including all improvements and equipment in the arena and the leasehold or other interest in the arena land appurtenant to the arena, but excluding the health club.

Subd. 11. [HEALTH CLUB.] "Health club" means that separate portion of the basketball and hockey arena building occupied and utilized by a private sports and health club on the effective date of this act, the improvements and equipment in and on it, and the leasehold or other interest in the arena land appurtenant to it.

Subd. 12. [MET CENTER.] "Met center" means the real estate in the city of Bloomington presently owned by the commission, formerly utilized for major league hockey, and all buildings, improvements, and equipment in and on it.

Subd. 13. [DEVELOPMENT AGREEMENT.] "Development agreement" means the second amended and restated development agreement among the Minneapolis community development agency, Northwest Racquet, Swim & Health Clubs, Inc., and the city of Minneapolis dated August 5, 1988, and as amended before the effective date of this act.

Subd. 14. [GROUND LEASE.] "Ground lease" means the ground lease of the arena land between the Minneapolis community development agency and Northwest Racquet, Swim & Health Clubs, Inc., dated August 5, 1988, and as amended before the effective date of this act.

Subd. 15. [GUARANTORS.] "Guarantors" means the individuals who have guaranteed to the Minneapolis community development agency and the city of Minneapolis the performance of the development agreement, ground lease, and certain other obligations pursuant to written guaranty dated February 17, 1988.

Subd. 16. [ARENA LAND.] "Arena land" means the real estate upon which the basketball and hockey arena and health club have been constructed and any adjacent parcel or parcels which are owned by the city of Minneapolis and subject to the development agreement or the ground lease and all rights, privileges, and easements appertaining to it.

Subd. 17. [BASKETBALL AND HOCKEY ARENA DEBT SERVICE.] "Basketball and hockey arena debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.599.

Sec. 3. Minnesota Statutes 1992, section 473.552, is amended to read:

473.552 [LEGISLATIVE POLICY; PURPOSE.]

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a metropolitan sports facilities commission.

Sec. 4. Minnesota Statutes 1992, section 473.553, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair shall be appointed by the governor as the ~~seventh~~ ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the metropolitan area city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the

commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 5. Minnesota Statutes 1992, section 473.553, is amended by adding a subdivision to read:

Subd. 6. [MEMBERSHIP CHANGE.] If the basketball and hockey arena is acquired pursuant to section 473.598, and an appropriation is made pursuant to section 240A.09, then the number of members of the commission shall change, as follows. On January 1 next following the initial appropriation pursuant to section 240A.09, the commission shall consist of eight members plus a chair appointed as provided in subdivision 3. Six members shall be the members appointed by the Minneapolis city council under subdivision 2 and subject to subdivision 5. Two additional members, other than the chair, shall be appointed by the governor; neither of those members shall reside in the city of Minneapolis, and one of those members must reside outside the metropolitan area. The term of one of the members appointed under this subdivision by the governor shall end the first Monday in January 1996 and the term of the other member appointed by the governor shall end the first Monday in January 1998. Thereafter, their terms are as determined under subdivision 5.

Sec. 6. Minnesota Statutes 1992, section 473.556, is amended to read:

473.556 [POWERS OF COMMISSION.]

Subdivision 1. [GENERAL.] The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. [ACTIONS.] The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. [ACQUISITION OF PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to ~~473.595~~ 473.599 within the limits of the metropolitan area.

Subd. 4. [EXEMPTION OF PROPERTY.] Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to ~~473.595~~ 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to ~~473.595~~ 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to ~~473.595~~ 473.599, including the operation of the metropolitan sports area, but not including property sold or leased for development pursuant to subdivision

6, metrodome, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property at the metropolitan sports area comprising the met center which is leased by the commission for development pursuant to subdivision 6 residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Subd. 5. [FACILITY OPERATION.] The commission may equip, improve, operate, manage, maintain, and control the metropolitan sports area metrodome, met center, basketball and hockey arena and sports facilities constructed or, remodeled, or acquired under the provisions of sections 473.551 to 473.595 473.599.

Subd. 6. [DISPOSITION OF PROPERTY.] (a) The commission may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in the manner accordance with the procedures provided by section 469.065, insofar as practical and consistent with sections 473.551 to 473.595 473.599.

(b) Real property at the metropolitan sports area (not including the indoor public assembly facility and adjacent parking facilities) which is no longer needed for sports facilities may be sold or leased for residential, commercial, or industrial development in accordance with the procedures in section 469.065 within two years to a private, for-profit entity, and thereafter the property shall be subject to all applicable taxes and assessments and all government laws, rules and ordinances bearing on use and development as if the property were privately owned.

(c) Any real property right, title, or interest within the provisions of paragraph (b) owned by the commission may be sold or leased in whole or in part to the port authority of the city of Bloomington to further the general plan of port improvement or industrial development or for any other purpose which the authority considers to be in the best interests of the district and its people. The property shall be sold or leased to the authority in accordance with section 469.065, subdivisions 1 to 4. Section 469.065, subdivisions 5 to 7, shall not apply to a sale under this paragraph.

(d) Real property disposed of under clause (c) shall be subject to leases, agreements, or other written interests in force on June 1, 1983.

(e) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Subd. 7. [CONTRACTS.] The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the commission to narrow the listing of eligible bidders to those which the commission determines to possess sufficient expertise to perform the intended functions. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the

commission and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 8. [EMPLOYEES; CONTRACTS FOR SERVICES.] The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic rules.

Subd. 9. [GIFTS AND GRANTS.] The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 473.581, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of \$2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

Subd. 10. [RESEARCH.] The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. [AGREEMENTS WITH UNIVERSITY.] The commission and the board of regents of the University of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed in sections 473.551 to 473.595 473.599.

Subd. 12. [USE AGREEMENTS.] The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 13. [INSURANCE.] The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the

commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 14. [SMALL BUSINESS CONTRACTS.] In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 7, 8 and 10, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16B.19 to 16B.22. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16B.22, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16B.21.

Subd. 16. [AGREEMENTS WITH AMATEUR SPORTS COMMISSION.]
(a) *The commission and the Minnesota amateur sports commission created pursuant to chapter 240A may enter into long-term leases, use or other agreements for the conduct of amateur sports activities at the basketball and hockey arena, and the net revenues from the activities may be pledged for basketball and hockey arena debt service. The commission, with the advice of the Minnesota amateur sports commission, shall establish standards to provide reasonable assurances to other public bodies owning or operating an entertainment or sports complex or indoor sports arena in the metropolitan area that the agreements between the commission and the Minnesota amateur sports commission with respect to the basketball and hockey arena shall not remove the conduct of amateur sports activities currently and traditionally held at such facilities.*

(b) *Any long-term lease, use or other agreement entered into by the Minnesota amateur sports commission with the commission under paragraph (a) must also:*

(1) *provide for a release of the Minnesota amateur sports commission from its commitment under the agreement if the legislature repeals or amends a standing appropriation or otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota amateur sports commission; and*

(2) *provide for a release of the Minnesota amateur sports commission from its commitment under the agreement and permit it to agree to a per event use fee when the bonds issued for the metro dome under section 473.581 have been retired.*

(c) *No long-term lease, use or other agreement entered into by the Minnesota amateur sports commission under paragraph (a) may commit the amateur sports commission to paying more than \$750,000 per year.*

(d) *Any long-term lease, use or other agreement entered into under paragraph (a) shall provide that the Minnesota amateur sports commission shall be entitled to use of the basketball and hockey arena for 50 event days per year. In addition, any long-term lease, use, or other agreement entered into under paragraph (a) shall permit the Minnesota amateur sports commission to allow another person or organization to use one or more of its days.*

Subd. 17. [CREATING A CONDOMINIUM.] The commission may, by itself or together with the Minneapolis community development agency and any other person, as to real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena and the health club, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the commission may deem necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599. The commission may be a member of an association and the chair, any commissioners and any officers and employees of the commission may serve on the board of an association under chapter 515A or 515B.

Sec. 7. Minnesota Statutes 1992, section 473.561, is amended to read:

473.561 [EXEMPTION FROM COUNCIL REVIEW.]

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to ~~473.595~~ 473.599 and shall not be affected by the provisions of sections 473.161, 473.165, and 473.173.

Sec. 8. Minnesota Statutes 1992, section 473.564, subdivision 2, is amended to read:

Subd. 2. [ASSUMPTION OF OBLIGATIONS.] Upon transfer of ownership of the metropolitan sports area to the commission, the council shall be and become obligated and shall provide for the payment of the principal and interest thereafter due and payable with respect to the general obligation bonds and revenue bonds issued by the city of Minneapolis under the provisions of the ownership and operations agreement among the cities and amendments thereto. The council shall provide to Minneapolis funds sufficient to meet the payments and to maintain the sinking fund pursuant to the agreement. When the balance in the sinking fund is sufficient to pay all remaining bonds and interest to their maturity dates, or to an earlier date on which they have been called for redemption, the obligation of the council shall be discharged. When the principal and interest on the bonds have been paid in full, any balance remaining in the sinking fund, including interest earnings, shall be remitted to the council and used by the council for debt service. Upon transfer of ownership of the metropolitan sports area to the commission, the commission shall assume all of the cities' obligations and those of the metropolitan sports area commission under the provision of all use agreements now in effect, entered into by the metropolitan sports area commission on behalf of the cities, providing for the use of the metropolitan sports area or any part thereof by any person. The cities and the metropolitan sports area commission shall cause to be executed all assignments and other documents as the commission, upon advice of counsel, shall deem necessary or desirable and appropriate to vest all their rights and privileges under the agreements in the commission. Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.

Sec. 9. Minnesota Statutes 1992, section 473.572, is amended to read:

473.572 [REVISED FINAL DETERMINATION.]

Subdivision 1. Notwithstanding any final determination reached by the commission on or before December 1, 1978, pursuant to section 473.571, subdivision 6, the commission shall make a revised determination on a sports facility or sports facilities which facility or facilities (1) may be covered, (2) may include use of the existing or a remodeled metropolitan stadium for baseball, and (3) shall be located in Hennepin county. The decision shall be made within 30 days after May 26, 1979. In making its decision the commission may rely on data previously submitted and reviewed pursuant to section 473.571 and need not require new data even if modifications are made in an alternative previously considered. The commission shall give full consideration to the needs of the University of Minnesota when making its revised determination.

Subd. 2. Except as provided in this section, The council shall make all determinations required by section sections 473.581, subdivision 3, and 473.599 before it authorizes the issuance of bonds.

Subd. 3. 2. It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of section 473.581, subdivision 3, impose rates, rentals and other charges in the operation of the sports facility metrodomes which will make the sports facility metrodomes self supporting so that the taxes imposed under section 473.592 for the metrodomes will be at the lowest possible rate consistent with the obligations of the political subdivision levying those taxes city of Minneapolis as provided in sections 473.551 to 473.595.

Sec. 10. Minnesota Statutes 1992, section 473.581, is amended to read:

473.581 [DEBT OBLIGATIONS.]

Subdivision 1. [BONDS.] The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of sports facilities the metrodomes by the commission pursuant to sections 473.551 to 473.595;

(b) To refund bonds issued hereunder and bonds upon which the council is obligated under section 473.564; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the metrodomes and the met center.

Subd. 2. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, *excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena.* The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other

subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of ~~any political subdivision the city of Minneapolis~~ to levy a tax pursuant to ~~an agreement~~ *agreements* made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing metropolitan stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use ~~its sports facilities the metro dome~~ for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the ~~commission's sports facilities metro dome~~. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the ~~facilities used~~ *use of the metro dome* by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on

which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the ~~sports facility~~ *metrodom*e may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission *for expenditures on the metrodom*e, to construct or remodel and to furnish the ~~sports facilities~~ *metrodom*e proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of ~~any proposed sports facilities~~ *the metrodom*e or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of ~~any proposed sports facilities~~ *the metrodom*e of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of ~~its sports facilities~~ *the metrodom*e for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the ~~sports facility or facilities~~ *metrodom*e has been accepted by the environmental quality board, and the pollution control agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the ~~sports facility or facilities~~ *metrodom*e.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the ~~sports facility or facilities~~ *metro dome* are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the ~~sports facility or facilities~~ *metro dome* plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The ~~municipality where the facility is to be constructed~~ *city of Minneapolis* has entered into an agreement as contemplated in section 473.592 *as security for the metro dome debt service.*

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the ~~sports facility~~ *metro dome* where the game is to be played or at the box office closest to the ~~sports facility~~ *metro dome*, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets.

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the ~~municipality in which any new sports facility is to be located~~ *city of Minneapolis.*

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Subd. 4. [SECURITY.] To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 *for the metro dome*, the tax and other revenues of the commission described in section 473.595, *subdivision 1*, and any other revenues of the commission *attributable to the metro dome* shall be and remain pledged and appropriated for the

payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the commission's sports facilities *metrodome* until all bonds referred to in section 473.564, subdivision 2, and all bonds and certificates issued pursuant to this section are fully paid or discharged in accordance with law. The revenue bonds and interest thereon referred to in section 473.564, subdivision 2, may be refunded, whether at a lower or a higher rate of interest, by the issuance of new bonds pursuant to subdivision 1, clause (b), for the purpose of pledging revenues of the metropolitan sports area for the payment and security of bonds issued hereunder, and the council may provide that a portion of the new bonds shall be payable solely from the interest earnings derived from the investment of the bond proceeds. Until these revenue bonds are fully paid or the council's obligation thereon is discharged in accordance with law they shall be deemed a first and prior charge on those revenues and shall be secured by all provisions of the revenue bond resolution and the ownership and operations agreement. Bonds issued pursuant to this section and bonds referred to in section 473.564, subdivision 2, may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other *metrodome* and *met center* revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax and other revenues referred to in sections 473.551 to 473.595 (*excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, taxes described in section 473.592 for the basketball and hockey arena, and other revenues attributable to the basketball and hockey arena*) from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 5. [REVENUE ANTICIPATION CERTIFICATES.] At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of its sports facilities *the metrodome*, and in anticipation of the proceeds from the taxes under section 473.592 *for the metrodome* and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The

certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the first annual budget of the commission, the council may authorize up to \$300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after May 26, 1979, shall not be used to pay capital costs of sports facilities the metrodome constructed or remodeled pursuant to sections 473.551 to 473.595.

Sec. 11. Minnesota Statutes 1992, section 473.592, is amended to read:

473.592 [TAX REVENUES.]

Subdivision 1. [LOCAL SALES TAX.] ~~Upon designation of a location for a sports facility pursuant to section 473.572, the municipality in which the facility is to be located~~ The city of Minneapolis may enter into an agreement agreements with the metropolitan council and the commission which requires the municipality to impose a sales tax, supplemental to the general sales tax imposed in chapter 297A, for the purposes and in accordance with the requirements specified in sections 473.551 to ~~473.595~~ 473.599. The tax may be imposed:

(a) on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the municipality, ~~or~~

(b) notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality, ~~or~~

(c) on both. The agreement between the municipality the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city, or

(d) on any one or combination of the foregoing.

A tax under this subdivision shall be imposed only within a downtown taxing area to be determined by the council.

The agreement or agreements between the city, the metropolitan council, and the commission shall require the municipality to impose the tax or taxes at whatever rate or rates may be necessary to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service on bonds referred to in section 473.564, subdivision 2 and revenue anticipation certificates issued under section 473.599, and all expenses of operation, administration, and maintenance of the sports facilities

metrodome and the basketball and hockey arena. When it is determined that a tax must be imposed under this subdivision after the effective date of this act, there shall be added to the rate of the tax imposed for the purposes described in the previous sentence a tax at a rate of 0.25 percent for use by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth through the Minneapolis park and recreation board. The ~~agreement~~ agreements shall provide for the suspension, reimposition, reduction, or increase in tax collections upon determination by the metropolitan council that such actions are appropriate or necessary for the purposes for which the tax is imposed, provided that the balance in each of the *metrodome debt service and the basketball and hockey arena debt service fund or funds*, including any reserve for debt service, shall be maintained at least at an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding one year period and, except as otherwise provided by agreement, shall not be maintained at an amount greater than that required to pay principal and interest on bonds which will become due within the next succeeding two year period. Once the tax is imposed by the city, the tax imposed for the benefit of the Minneapolis park and recreation board shall remain in effect at the rate of 0.25 percent until the bonds issued under section 473.599 have been retired. The ~~agreement~~ agreements shall be executed by the city, after approval by resolution of the city council and before the issuance of the bonds under section 473.581 and commencement of construction, of the *metrodome or the issuance of bonds under section 473.599 and acquisition of the basketball and hockey arena* and shall constitute a contract or contracts with and for the security of all holders of the bonds and revenue anticipation certificates secured by the tax. ~~A sports facility~~ The *metrodome* shall not be constructed or remodeled in a municipality which has not entered into an agreement for the *metrodome* in accordance with this section. A *basketball and hockey arena* shall not be acquired in the city of Minneapolis unless the city has entered into an agreement in accordance with this section as security for bonds issued pursuant to section 473.599 and expenses of operation, administration, and maintenance of the *basketball and hockey arena*. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the metropolitan council and the city of Minneapolis for use by the Minneapolis park and recreation board. The commissioner of revenue shall deduct from the proceeds remitted to the council and the city an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state. The proceeds remitted with respect to the *metrodome* shall be placed, together with the net revenues of the commission attributable to the *metrodome* under section 473.595, into the debt service fund or reserve or special funds, established under section 473.581, and any funds established to secure payment of operating deficits of the commission arising from its ownership and operation of the *metrodome*. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.581, ~~debt service on bonds referred to in section 473.564, subdivision 2,~~ and expenses of operation, administration, and maintenance of the ~~sports facilities~~ *metrodome*. The proceeds shall not be used for any capital costs of ~~sports facilities constructed under sections 473.551 to 473.595 the~~

metrodome, except that the proceeds may be used to pay interest on bonds during the construction period.

The proceeds remitted with respect to the basketball and hockey arena shall be placed, together with the net revenues of the commission attributable to the basketball and hockey arena under section 473.595, subdivision 1a, into the debt service fund or reserve or special funds, established under section 473.599, and any funds established to secure payment of operating deficits of the commission arising from its acquisition, ownership, operation, or maintenance of the basketball and hockey arena. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.599, and expenses of operation, administration, and maintenance of the basketball and hockey arena.

Subd. 2. [METROPOLITAN LIQUOR TAX.] All proceeds of the liquor tax collected by the council pursuant to the provisions of Minnesota Statutes 1978, section 473.591, prior to August 1, 1979, not otherwise expended or applied as provided in this chapter, together with any earnings derived from the investment of such revenues, may be used for any purpose for which the tax revenues under subdivision 1 may be used.

Sec. 12. Minnesota Statutes 1992, section 473.595, is amended to read:

473.595 [COMMISSION FINANCES.]

Subdivision 1. [METRODOME ADMISSION TAX.] Effective January 1, 1978, The commission shall by resolution impose a ~~three~~ and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities; except for those activities sponsored at the indoor public assembly facility at the metropolitan sports area known as the metropolitan sports center. Commencing with the operation of sports facilities constructed or remodeled by the commission pursuant to sections 473.551 to 473.595, the commission shall impose an additional seven percent admission tax upon activities conducted at such sports facilities. Effective January 1, 1978, at the metrodome. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the ~~commission's facilities~~ metrodome is discretionary with the commission.

Subd. 1a. [ARENA ADMISSION TAX.] *The commission shall impose a ten percent admission tax on all tickets sold, issued, granted, or distributed for the privilege of admission to the basketball and hockey arena. In addition, the*

commission shall impose a surcharge in an amount to be determined by the commission, but not less than \$1 per ticket, on all tickets sold, issued, granted, or distributed for the privilege of admission to activities at the basketball and hockey arena. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon such a sale or distribution. The admission tax and surcharge for the privilege of admission to activities at the basketball and hockey arena shall be charged and added to the sales price of the ticket, and imposed and collected in the same manner provided for the metrodome pursuant to subdivision 1. The tax and surcharge provided for in this subdivision shall be effective from and after the date of the commission's acquisition of the basketball and hockey arena.

Subd. 2. [RENTALS; FEES; CHARGES.] Rentals, fees, and charges provided for in use agreements at the metrodome and basketball and hockey arena entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to ~~all facilities in the metropolitan sports area and any sports facility constructed pursuant to Laws 1977, chapter 89~~ the met center, the metrodome, and the basketball and hockey arena meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the metropolitan area in which ~~Laws 1977, chapter 89 is effective~~, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.

Subd. 3. [BUDGET PREPARATION; REVIEW AND APPROVAL.] The commission shall comply with the provisions of section 473.163, provided that the entire budget, including operating revenues and expenditures for operation, administration, and maintenance, shall be subject to approval by the council, in accordance with the procedures described in section 473.163.

Subd. 4. [PAYMENT OF COUNCIL COSTS.] The commission shall comply with the provisions of section 473.164.

Subd. 5. [AUDIT.] The legislative auditor shall make an independent audit of the commission's books and accounts once each year or as often as the legislative auditor's funds and personnel permit. The costs of the audits shall be paid by the commission pursuant to section 3.9741. The council may examine the commission's books and accounts at any time.

Subd. 6. [GENERAL.] The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its metrodome debt service ~~fund funds~~, at the times required by resolution of the council, the net revenue attributable to the metrodome in excess of these requirements and for deposit in its basketball and hockey arena debt service ~~fund or funds~~, at the times required by resolution of the council, the net revenue attributable to the basketball and hockey arena in excess of these requirements.

Subd. 7. [SALE OF SEATS.] The commission may sell seats in any multipurpose sports facility constructed after June 30, 1979 at prices and subject to conditions consistent with this section. Ownership of a seat shall give the owner first preference for purchase of a season ticket of admission for professional sports exhibitions with a right to be seated in the owned seat. An owner may sell or otherwise transfer the rights on whatever terms the owner chooses. Rights to a seat may not be divided. No fee may be charged for a transfer of ownership of a seat. The commission may charge a maintenance fee not exceeding \$10 per year for each seat.

Sec. 13. Minnesota Statutes 1992, section 473.596, is amended to read:

473.596 [ACCESS STREETS AND HIGHWAYS, HIGHWAY USER TAX DISTRIBUTION FUND.]

No money derived from the highway user tax distribution fund shall be used to construct, relocate, or improve any streets, highways, or other public thoroughfares, except ones included in the municipal state aid street system established pursuant to article XIV, section 4, of the Minnesota Constitution if such work is done in order to provide or improve access to a ~~new sports facility~~ the ~~metrodome~~ constructed pursuant to sections 473.551 to 473.595. The commissioner of transportation shall determine whether expenditures are in violation of this section.

Sec. 14. [473.598] [ARENA ACQUISITION.]

Subdivision 1. [COMMISSION DETERMINATION.] The commission shall first determine whether to pursue negotiations to acquire the basketball and hockey arena.

Subd. 2. [EXAMINATION AND DISCLOSURE OF LOAN TERMS.] Before making a final decision to acquire the basketball and hockey arena, the commission must obtain and examine all the terms, conditions, covenants, and other provisions of any loan agreements between the owners of the arena and third parties that provided financing secured by mortgages on or other security interests in the basketball and hockey arena. These terms specifically include any agreements that require a professional team affiliated with the owner to lease or use the arena or that restrict or limit the authority of the team owners or affiliates to relocate the team. The commission shall make the terms of the agreements available for public inspection.

Subd. 3. [COMMISSION PROPOSAL.] (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the metropolitan council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the proposal for the council, shall require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. In evaluating whether to acquire the

basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the metropolitan council under paragraph (a), the commission shall submit the proposal to the legislative auditor and the department of finance for review, evaluation, and comment. The legislative auditor shall present the evaluation and comments to the legislative audit commission. Both the legislative auditor and the commissioner of finance shall present their evaluation and comments to the chairs of the house taxes, and ways and means committees, to the chair of the state government finance division of the house governmental operations committee, and to the chairs of the senate taxes and finance committees. Any data which is not public data under subdivision 4 shall remain not public data when given to the legislative auditor or the department of finance.

Subd. 4. [TREATMENT OF DATA.] (a) Except as specifically provided in this subdivision, all data received by the commission or council in the course of its negotiations and acquisition of the basketball and hockey arena is public data.

(b) The commission may keep confidential data received or prepared by its accountants or counsel for purposes of negotiations with existing or potential lessees of the basketball and hockey arena. That data shall be confidential data on individuals under section 13.02, subdivision 3, or protected nonpublic data under section 13.02, subdivision 13, as the case may be, unless the commission determines that public release of the data would advance the negotiations, or until the potential lessees have executed agreements with the commission or the negotiations are unfavorably concluded.

(c) The following data shall be private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, as the case may be:

(1) data received by the commission or council from the present lessees or potential lessees of the basketball and hockey arena which if made public would, due to the disclosure, permit a competitive economic advantage to other persons;

(2) data relating to affiliated entities of the parties referred to in subdivision 2 which is not relevant to the due diligence and economic feasibility study referred to under subdivision 2; and

(3) data on individuals which is not relevant to the finances of the basketball and hockey arena or useful to demonstrate the financial ability of the potential lessees of the arena to perform their agreements with the commission.

(d) For purposes of this subdivision, the terms "commission" and "council" include their members and employees, accountants, counsel, and consultants

and the firm of independent certified public accountants to be engaged under subdivision 2.

(e) Notwithstanding the exceptions in this subdivision, summary data which demonstrates the financial ability of the lessees and potential lessees of the basketball and hockey arena to perform their obligations under agreements with the commission and data which relates in any way to the value of the basketball and hockey arena and the amount by which the owners' investment in the arena, including debt obligations, exceeds the commission's payments to and assumption of the owners' debt obligations, shall be public data.

Subd. 5. [HOCKEY AGREEMENT.] The commission shall exercise its best efforts, consistent with its other obligations under sections 473.551 to 473.599 to attempt to secure an agreement with a major league professional hockey organization to play its home games at the basketball and hockey arena.

Sec. 15. [473.599] [DEBT OBLIGATIONS.]

Subdivision 1. [REVENUES.] It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of this section, impose rates, rentals, and other charges in the operation of the basketball and hockey arena which together with the admissions tax and surcharge provided in section 473.595, subdivision 1a, will make the basketball and hockey arena self-supporting so that the taxes imposed under section 473.592 for the basketball and hockey arena will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.599.

Subd. 2. [BONDS.] The council shall by resolution authorize the sale and issuance of its bonds for any of the following purposes upon its determination that the conditions of subdivision 4 have been met:

(a) To provide funds for the acquisition or betterment of the basketball and hockey arena by the commission pursuant to sections 473.598 and 473.599;

(b) To refund bonds issued under this section; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the basketball and hockey arena.

Subd. 3. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.599, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475. The council may pledge for the payment of the bonds the net revenues of the commission arising from the commission's operation of the basketball and hockey arena, the tax provided by section 473.592 for the basketball and hockey arena, and the admission tax and surcharge authorized in section 473.595, subdivision 1a. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.599, and shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, but nothing in this section shall affect the obligation of the city of Minneapolis to levy a tax pursuant to an agreement made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 4.

Subd. 4. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 2, clause (a), exclusive of any original issue discount, shall not exceed the total amount of \$42,000,000 plus such amount as the council determines necessary to pay the costs of issuance, fund reserves for operation and debt service, and pay for any bond insurance or other credit enhancement. The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine. The proceeds of the bonds issued pursuant to subdivision 2, clause (a), shall be used only for acquisition and betterment of sports facilities suitable for a basketball and hockey arena and the arena land and the related purposes referred to in this subdivision, and for reimbursement of any expenses of the commission related to its determination of whether to acquire the basketball and hockey arena, whenever incurred. The council shall issue its bonds pursuant to subdivision 2, clause (a), and the commission may acquire the basketball and hockey arena and the arena land when the council has made the following determinations:

(a) The commission, the city of Minneapolis or the Minneapolis community development agency, or any or all of them, as the commission may deem appropriate, has executed agreements with a major league professional basketball organization to use the arena for all scheduled regular season home games and play-off home games, and for at least one of its exhibition games played each season. The agreements shall be for a period of 30 years. The agreements may contain provisions negotiated with the organization which provide for earlier termination of the use of the basketball and hockey arena by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. The agreements shall afford to the commission, the city of Minneapolis, or the Minneapolis community development agency, or each or all of them, as the commission deems appropriate, the remedies that are deemed necessary and appropriate to provide reasonable assurances that the major league professional basketball organization or another major league professional basketball organization shall comply with the agreements. The remedies shall include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements and any additional remedies or security arrangements the commission reasonably determines to be effective in accomplishing the purposes of this paragraph. The damages payment may be payable in a lump sum or in installments as the commission may deem appropriate. The commission may require that the agreements include other terms and conditions to provide reasonable assurances that the major league professional basketball team or a successor major league professional basketball team will play the required games at the basketball and hockey arena during the 30-year term of the agreements, or, in the event of a breach, to assure the payment of the required damages. The agreements shall address contingencies that may arise in the event of change of ownership of the professional teams. The agreements with the professional basketball organization for the use of the basketball and hockey arena shall provide for arrangements which the commission may deem necessary or appropriate to accommodate a future agreement between the commission and a professional hockey organization to occupy the basketball and hockey arena, consistent with this section.

(b) The commission has exercised its reasonable efforts to obtain assurances and/or agreements from the professional basketball major league to the extent permitted under applicable federal and state law, that it will not

approve the relocation of the major league professional basketball organization if the relocation is in violation of the terms of the agreements referred to in paragraph (a).

(c) The professional basketball team has provided information sufficient to satisfy the council and the commission of the team's ability to comply with the terms of the 30-year lease.

(d) The proceeds of bonds provided for in this subdivision will be sufficient for the purposes for which they are issued.

(e) The commission has acquired, or has contracted to acquire, (i) leasehold title to the arena land together with the estate of the tenant and other rights demised under the ground lease, subject to amendment as provided in clause (o), (ii) ownership of all real and personal property comprising the basketball and hockey arena, and (iii) all easements, appurtenances and other rights, title, or interest deemed by the commission necessary or desirable in connection with the acquisition, financing, ownership, and operation of the basketball and hockey arena.

(f) The percentage of the private boxes provided for in the commission's proposal for the basketball and hockey arena are sold or leased for the period that the commission finds advisable.

(g) The anticipated admission taxes and surcharges and other revenue from the operation of the basketball and hockey arena will be sufficient to pay when due all basketball and hockey arena debt service plus all administration, operating and maintenance expense of the arena.

(h) The city of Minneapolis has entered into an agreement as contemplated in clause (n) and an agreement or agreements as contemplated in section 473.592 with respect to the basketball and hockey arena.

(i) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commission related to them, shall not be conditioned upon or impaired by the council's determination made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the commission and council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(j) The commission has entered into arrangements with any other persons to create a condominium or leasehold condominium, or common interest community or leasehold common interest community, with respect to the building containing the basketball and hockey arena, including the arena playing and spectator areas, and all other portions of the building, and together with the arena land and all other related improvements, easements and other appurtenant and ancillary property and property rights. The Minneapolis community development agency in its capacity as ground lease

landlord may be a party to the condominium or common interest community declaration. The condominium or common interest community declaration shall establish the portion of the building containing the health club as a separate unit of the condominium or common interest community, and the commission shall have entered into an agreement or agreements with a private sports and health club organization which shall require that the organization shall purchase or retain ownership of the unit with its own funds and at no cost or expense to the commission, and that the organization shall pay for all utility and other operating costs and expenses including allocated common expenses and pay ad valorem property taxes for the unit. The condominium or common interest community declaration may also establish other units in the condominium or common interest community which shall include the arena playing and spectator areas and may also include office space, restaurant space, locker rooms, private spectator suites or boxes, signage, and other areas, and may also establish common elements, limited common elements and other easements and interests as the commission deems necessary or appropriate. The agreement or agreements between the commission and the private sports and health club organization may also address additional matters which may be the subject of the bylaws or other agreements or arrangements among unit owners of condominiums or common interest communities, either as part of, or separately from, the provisions of chapter 515A or 515B, or any other items as may be ordinarily and customarily negotiated between the commission and the organization.

(k) The private sports and health club organization has executed an assessment agreement pursuant to section 469.177, subdivision 8, obligating payment of ad valorem taxes based on a minimum market value of the health club of at least \$10,000,000 with the city of Minneapolis or the Minneapolis community development agency.

(l) The commission has executed an agreement requiring the commission to remit annually to the Minneapolis community development agency or appropriate agency an amount which together with any ad valorem taxes or other amounts received by the city of Minneapolis or the Minneapolis community development agency from the health club as tax increments equals the debt service required by the tax increment district attributable to the basketball and hockey arena until the current outstanding indebtedness or any refunding thereof has been paid or retired.

(m) The development agreement shall be amended:

(i) so that no payments are due to the city of Minneapolis or the Minneapolis community development agency from the commission or any other person with respect to the sale, ownership or operation of the basketball and hockey arena, except as provided in clauses (k), (l), and (n); and

(ii) to confirm the satisfactory performance of the obligations of the parties to the development agreement on the effective date of the commission's acquisition; provided, that the city of Minneapolis and the Minneapolis community development agency shall not be required to release any claim they may have under the development agreement with respect to the operations or sale of the health club (except as such claim may arise from the commission's acquisition of the basketball and hockey arena and the contemporaneous sale or transfer of the health club to those persons who own the basketball and hockey arena and the health club on the date of the commission's acquisition) or from the operations or sale of the professional basketball organization

occupying the basketball and hockey arena or the security they may have under the development agreement or the ground lease to assure its performance, pursuant to the guaranty of the guarantors in the event of any default of the commission under the ground lease, or of the owners of the health club with respect to the payment of ad valorem taxes or any payment due from them under the development agreement as amended in accordance with the provisions of this subdivision.

(n) The commission has executed an agreement with the city of Minneapolis providing that for so long as the commission owns the basketball and hockey arena the city shall not impose any entertainment tax or surcharge on tickets purchased for any and all events at the basketball and hockey arena. The agreement may also provide that the commission shall compensate the city for the forbearance of the entertainment tax in effect on the effective date of this act, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance, and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. The required funding of the capital reserve shall be in an amount mutually agreed to by the commission and the city.

(o) The ground lease shall be amended by the Minneapolis community development agency to the reasonable satisfaction of the commission to provide:

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (1) from the net revenues of the commission attributable to the operation of the basketball and hockey arena;

(ii) that the term of the lease shall be 99 years;

(iii) that the commission shall have the option to purchase the arena land upon the payment of \$10 at any time during the term of the ground lease, but, unless otherwise agreed to by the Minneapolis community development agency, only after the payment or retirement of the general obligation tax increment bonds previously issued by the city of Minneapolis to assist in financing the acquisition of the arena land; and

(iv) other amendments as the commission deems necessary and reasonable to accomplish its purposes as provided in sections 473.598 and 473.599.

(p) The commission has received a report or reports by qualified consultants on the basketball and hockey arena, the health club and the arena land, based on thorough inspection in accordance with generally accepted professional standards and any correction, repair, or remediation disclosed by the reports has been made to the satisfaction of commission.

Subd. 5. [SECURITY.] To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the basketball and hockey arena, the tax, surcharge and other revenues of the commission described in section 473.595, subdivision 1a, attributable to the basketball and hockey arena and any other revenues of the commission attributable to the basketball and hockey arena shall be and remain pledged and appropriated for the purposes specified in this article and for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the basketball and hockey arena until all bonds

referred to in section 473.599, subdivision 2, are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax, surcharge and other revenues attributable to the basketball and hockey arena referred to in sections 473.592, 473.595, subdivision 1a, 473.598, and 473.599 from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council under sections 473.592 to the extent of the tax imposed as security for the debt service of the basketball and hockey arena, 473.595, subdivision 1a, 473.598, and 473.599, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of them, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make the covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

Subd. 6. [REVENUE ANTICIPATION CERTIFICATES.] After approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the basketball and hockey arena, and in anticipation of the proceeds from the taxes under section 473.592 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms that it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the annual budget of the commission, the council may authorize revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest on them shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax, surcharge and other revenues received attributable to the basketball and hockey arena, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 2 may be used.

Subd. 7. [ARENA FREE OF MORTGAGES, LIENS, AND OBLIGATIONS.] With the exception of the obligations imposed by sections 473.598

and 473.599, the commission shall not assume any notes, pledges, mortgages, liens, encumbrances, contracts, including advertising contracts or marquee agreements, or other obligations upon acquisition of the basketball and hockey arena or the arena land, including but not by way of limitation, management or concession agreements. Upon acquisition by the commission, the basketball and hockey arena and the arena land shall be free of all liens and encumbrances, including the foregoing but excluding the easements and rights-of-way that the commission shall determine do not materially impair or affect its ownership and operation of the basketball and hockey arena. Upon acquisition, the commission shall, through a process involving statewide public participation, select a name for the basketball and hockey arena. In the process of selecting the name, the commission shall consider its obligation under section 473.599, subdivision 1, but that obligation must not be the principal consideration in making the selection.

Subd. 8. [REIMBURSEMENT TO STATE.] The commission shall compensate the state for its contribution from the general fund under section 17, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. Compensation paid to the state shall occur at the same time that compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on a basis proportionate to the amount of forbearance of the entertainment tax or surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under section 17 to that date. No reimbursement will be paid under this subdivision after (1) the aggregate amount of the appropriations granted under section 20, to that time, plus accrued interest, has been reimbursed under this subdivision, or (2) December 31, 2024, whichever is earlier.

Sec. 16. [ALL TENANT TERMS AND CONDITIONS OF AGREEMENTS MUST BE MADE PUBLIC.]

An agreement to occupy the basketball and hockey arena as defined in Minnesota Statutes, section 473.551, subdivision 10, is not enforceable by any party to it unless all its terms and conditions are made public before it is intended to take effect.

Sec. 17. [240A.09] [APPROPRIATION.]

\$750,000 is appropriated annually from the general fund to the Minnesota amateur sports commission for the purpose of entering into long-term leases, use, or other agreements with the metropolitan sports facilities commission for the conduct of amateur sports activities at the basketball and hockey arena, consistent with the purposes set forth in chapter 240A, including (1) stimulating and promoting amateur sports, (2) promoting physical fitness by promoting participation in sports, (3) promoting the development of recreational amateur sport opportunities and activities, and (4) promoting local, regional, national, and international amateur sport competitions and events. The metropolitan sports facilities commission may allocate 50 dates a year for the conduct of amateur sports activities at the basketball and hockey arena by the amateur sports commission. At least 12 of the dates must be on a Friday, Saturday, or Sunday. If any amateur sports activities conducted by the amateur sports commission at the basketball and hockey arena are restricted

to participants of one gender, an equal number of activities on comparable days of the week must be conducted for participants of the other gender, but not necessarily in the same year. The legislature reserves the right to repeal or amend this appropriation, and does not intend this appropriation to create public debt.

Sec. 18. [ADVISORY TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The metropolitan sports facilities commission shall create an advisory task force for the purpose of studying the overall impact of professional sports in the state. The task force shall consist of 18 members as follows:

(a) the governor or the governor's designee;

(b) the commissioner of trade and economic development;

(c) the chair of the Minnesota amateur sports commission;

(d) the chair of the metropolitan sports facilities commission;

(e) the chairs of the metropolitan and local government committee of the senate, and the local government and metropolitan affairs committee of the house of representatives, or their successor committees;

(f) the chairs of the jobs, energy and community development committee of the senate, and the commerce and economic development committee of the house of representatives, or their successor committees;

(g) eight public members, appointed by the governor, one from each congressional district;

(h) one minority member of the senate, appointed by the subcommittee on committees of the rules and administration committee; and

(i) one minority member of the house of representatives, appointed by the speaker of the house.

Subd. 2. [STUDY.] The advisory task force must at a minimum analyze the following factors:

(a) the economic disruption and worker dislocation that would occur in the event that a professional sports team would relocate;

(b) the dynamics and consequences of cities competing against each other for professional sports franchises; and

(c) the relative public costs of obtaining and keeping professional sports franchises.

The advisory task force shall make findings and report to the legislature by February 1, 1995, on the overall impact of professional sports franchises on the state and recommendations on a policy the state should adopt with regard to obtaining and retaining professional sports franchises. This section expires June 1, 1995.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571, are repealed.

Sec. 20. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective for appointments for vacancies occurring on the amateur sports commission after December 31, 1994. The remainder of this article takes effect the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

Section 1. [240A.08] [PLAN DEVELOPMENT; CRITERIA.]

The Minnesota amateur sports commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit and that involve construction of more than three ice sheets in a single facility.

(b) The Minnesota amateur sports commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(c) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(d) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(e) To the extent possible, all proposed facilities must be dispersed equitably and must be located to maximize potential for full utilization and profitable operation.

(f) The Minnesota amateur sports commission may also use the funds to upgrade current facilities, purchase girl's ice time, or conduct amateur women's hockey and other ice sport tournaments.

Sec. 2. [240A.09] [AGREEMENTS.]

The Minnesota amateur sports commission may enter into agreements with local units of government and provide financial assistance in the form of grants for the construction of ice arena facilities that in the determination of the commission, conform to its criteria.

Sec. 3. [240A.10] [GENERAL OBLIGATION SPECIAL TAX BONDS FOR ICE CENTERS.]

State general obligation bonds issued to finance the construction of the ice centers provided for in sections 1 and 2 may be general obligation special tax bonds under section 16A.661 and debt service on the bonds may be paid from sports and health club sales tax revenue as provided in section 16A.661, subdivision 3, paragraph (b).

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 473.551; 473.552; 473.553, subdivision 3, and by adding a subdivision; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571."

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

House Conferees: (Signed) Richard H. Jefferson; Chuck Brown, Phyllis Kahn, H. Todd Van Dellen

Senate Conferees: (Signed) Lawrence J. Pogemiller, William P. Luther, Deanna Wiener, Roy W. Terwilliger, Ted A. Mondale

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3041 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. 3041 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 35 and nays 26, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Kroening	Mondale	Reichgott Junge
Benson, D.D.	Hanson	Laidig	Murphy	Robertson
Benson, J.E.	Hottinger	Langseth	Novak	Solon
Berglin	Janezich	Lessard	Oliver	Spear
Betzold	Johnson, D.E.	Luther	Pappas	Stumpf
Dille	Johnson, D.J.	McGowan	Pogemiller	Terwilliger
Flynn	Kiscaden	Moe, R.D.	Ranum	Wiener

Those who voted in the negative were:

Anderson	Day	Larson	Piper	Stevens
Beckman	Finn	Lesewski	Price	Vickerman
Berg	Johnson, J.B.	Merriam	Riveness	
Bertram	Johnston	Metzen	Runbeck	
Chandler	Kelly	Neuville	Sams	
Cohen	Knutson	Pariseau	Samuelson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that the names of Messrs. Johnson, D.J. and Johnson, D.E. be added as co-authors to S.F. No. 2725. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and

Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform the Senate that the House of Representatives of the State of Minnesota is about to adjourn the 78th Session sine die.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1994

MEMBERS EXCUSED

Ms. Krentz was excused from the Session of today. Mrs. Adkins, Mr. Morse and Ms. Olson were excused from this evening's Session. Mr. Novak, Ms. Flynn and Mr. Pogemiller were excused from the Session of today from 10:00 to 11:30 a.m. Mr. Beckman was excused from the Session of today from 3:20 to 3:30 p.m. Mr. Lessard was excused from the Session of today from 4:00 to 4:30 p.m. Mr. Chmielewski was excused from the Session of today at 2:45 a.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate