

SIXTY-THIRD DAY

St. Paul, Minnesota, Thursday, May 18, 1995

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

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.

Prayer was offered by the Chaplain, Rev. Bruce Christie.

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

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

May 16, 1995

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, S.F. No. 965.

Warmest regards,
Arne H. Carlson, Governor

May 17, 1995

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 Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1995	Date Filed 1995
965		174	1:15 p.m. May 16	May 16

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1444: A bill for an act relating to state lands; providing for the sale of certain tax-forfeited lands in St. Louis county; authorizing Crow Wing county to allow the sale of certain nonconforming lots within the Mississippi headwaters corridor; requiring the commissioner of natural resources to convey certain land to the city of Akeley; authorizing the sale of certain trust fund lands.

Senate File No. 1444 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Solon moved that the Senate do not concur in the amendments by the House to S.F. No. 1444, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1536: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions.

Senate File No. 1536 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Langseth moved that the Senate do not concur in the amendments by the House to S.F. No. 1536, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 512: A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 4; 13.82, subdivision 10, and by adding subdivisions; 13.88; 13.99, subdivision 113; 144.4172, subdivision 8; 144.651, subdivisions 14 and 21; 144A.103, subdivision 1; 144A.612; 144B.13; 148B.68, subdivision 1; 214.10, subdivision 2a; 245A.04, subdivisions 3 and 3b; 253B.02, subdivision 4a; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 256E.03, subdivision 2; 256E.081, subdivision 4; 268.09, subdivision 1; 325F.692, subdivision 2; 525.703, subdivision 3; 609.224, subdivision 2; 609.268, subdivisions 1 and 2; 609.72, by adding a subdivision; 609.7495, subdivision 1; 626.556, subdivision 12; 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; and 631.40, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, section 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19.

There has been appointed as such committee on the part of the House:

Greenfield, Farrell and Pawlenty.

Senate File No. 512 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 979: A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, and by adding a subdivision.

There has been appointed as such committee on the part of the House:

Wagenius, Luther and Rhodes.

Senate File No. 979 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 538: A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 15.

There has been appointed as such committee on the part of the House:
Carruthers, Orenstein and Smith.

Senate File No. 538 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 399: A bill for an act relating to recreational vehicles; driving while intoxicated; providing for forfeiture of snowmobiles, all-terrain vehicles, and motorboats for designated, DWI-related offenses; extending vehicle forfeiture law by expanding the definition of prior conviction to include other types of vehicles; amending Minnesota Statutes 1994, sections 84.83, subdivision 2; 84.927, subdivision 1; 169.1217, subdivision 1; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 84; and 86B.

There has been appointed as such committee on the part of the House:

Van Engen, McGuire and Luther.

Senate File No. 399 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 579: A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.501, subdivision 1; 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

There has been appointed as such committee on the part of the House:

Entenza, Leighton and Smith.

Senate File No. 579 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 217: A bill for an act relating to family law; providing for enforcement of child support obligations; expanding enforcement remedies for child support; authorizing programs; providing for resolution of custody and visitation disputes; creating a central child support payment center; modifying child support data collection and publication; imposing penalties; adding provisions relating to recognition of parentage; adding provisions for administrative

proceedings; modifying children's supervised visitation facilities; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 168A.05, subdivisions 2, 3, 7, and by adding a subdivision; 168A.16; 168A.20, by adding a subdivision; 168A.21; 168A.29, subdivision 1; 214.101, subdivisions 1 and 4; 256.87, subdivision 5; 256.978, subdivision 1; 256F.09, subdivisions 1, 2, 3, and by adding subdivisions; 257.34, subdivision 1, and by adding a subdivision; 257.55, subdivision 1; 257.57, subdivision 2; 257.60; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 517.08, subdivisions 1b and 1c; 518.171, subdivision 2a; 518.24; 518.551, subdivisions 5, 12, and by adding subdivisions; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.575; 518.611, subdivisions 1, 2, 5, and 8a; 518.613, subdivisions 1, 2, and by adding a subdivision; 518.614, subdivision 1; 518.64, subdivisions 2, 4, and by adding a subdivision; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 171; 256; 257; and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 256F.09, subdivision 4; 518.561; 518.611, subdivision 8; and 518.64, subdivision 6.

There has been appointed as such committee on the part of the House:

Entenza; Swenson, D. and Dawkins.

Senate File No. 217 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 1110, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1110: A bill for an act relating to human services; appropriating money for the department of human services and health, for the veterans nursing homes board, for the health-related boards, for the council on disability, for the ombudsman for mental health and mental retardation, and for the ombudsman for families; modifying day training and habilitation services; creating the consumer support program; modifying child care programs; defining and including essential persons in determining AFDC eligibility; modifying the Minnesota Supplemental Aid program by making it consistent with the federal SSI program; modifying group residential housing; limiting the admission of certain high-functioning persons to nursing facilities; modifying hospital inflation and requiring inflation adjustments to reflect prior overpayments; modifying medical assistance disproportionate share payments; establishing hospital peer groups; establishing long-term hospital rates; modifying treatment of certain trusts; modifying treatment of assets and income for institutionalized persons; reducing the pharmacy dispensing fee; establishing pharmacy copayments in medical assistance and general assistance medical care; establishing a service allowance for certain persons denied admission to a nursing facility; increasing reimbursement rates for certain home care services provided in Anoka county; modifying certain intergovernmental transfers; clarifying the county nursing home payment adjustment; requiring a discount in general assistance medical care prepaid contracts; eliminating payment for gender reassignment services under general assistance medical care; providing a two percent rate increase for certain providers; authorizing certain demonstration projects; modifying certain parental fees; modifying medical assistance eligibility criteria for certain disabled children; modifying requirements for personal care assistants and personal care assistant organizations; modifying coverage for personal care services and reducing maximum hours of service; expanding certain services under medical assistance managed care for disabled children; authorizing certain studies; authorizing exceptions to the nursing home moratorium and modifying reimbursements for legislatively-approved exceptions; modifying requirements for hospital-attached nursing facility status; modifying nursing facility reimbursement and inflationary adjustments; establishing a contractual alternative payment system for nursing facilities; modifying reimbursement for intermediate care facilities for persons with mental retardation or related conditions; establishing transition mental health services; modifying chemical dependency treatment programs; providing Faribault and Cambridge regional human services center downsizing agreements; decreasing certain license and permit fees; modifying the licensing and inspecting of hotel, restaurant, and

other food and lodging establishments; amending Minnesota Statutes 1994, sections 62A.045; 62A.046; 62A.048; 62A.27; 144.0721, by adding subdivisions; 144.122; 144.226, subdivision 1; 144A.071, subdivision 4a; 144A.33, subdivision 3; 144A.43, subdivision 3; 144A.47; 147.01, subdivision 6; 157.03; 198.003, subdivisions 3 and 4; 245.4882, subdivision 5; 245.4886, by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2; 252.27, subdivision 2a; 252.292, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 254A.17, subdivision 3; 254B.05, subdivision 4; 256.025, subdivisions 1 and 2; 256.026; 256.73, subdivision 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1; 256.9365; 256.9657, subdivision 3; 256.9685, subdivision 1b, and by adding subdivisions; 256.969, subdivisions 1, 9, 24, and by adding subdivisions; 256B.055, subdivision 12; 256B.056, by adding a subdivision; 256B.0575; 256B.0625, subdivisions 8, 8a, 13, 19a, and by adding subdivisions; 256B.0627, subdivisions 1, 2, 4, and 5; 256B.0641, subdivision 1; 256B.0911, subdivisions 4 and 7; 256B.0913, by adding subdivisions; 256B.0915, subdivision 2, and by adding a subdivision; 256B.092, subdivision 4; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.19, subdivisions 1c and 1d; 256B.431, subdivisions 2b, 2j, 17, 23, and by adding subdivisions; 256B.49, subdivision 1, and by adding subdivisions; 256B.501, subdivisions 3, 3c, and by adding a subdivision; 256B.69, subdivisions 4, 5, 6, 9, and by adding subdivisions; 256D.03, subdivisions 3b, 4, and by adding a subdivision; 256D.051, subdivision 6; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1, and by adding a subdivision; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.48, subdivision 1; 256H.03, subdivision 4; 256H.05, subdivision 6; 256I.04, subdivision 3; 256I.05, subdivision 1a; 393.07, subdivision 10; 501B.89, subdivision 1, and by adding a subdivision; and Laws 1993, First Special Session chapter 1, article 8, section 51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 157; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 144D; repealing Minnesota Statutes 1994, sections 38.161; 38.162; 144.0723, subdivision 5; 157.01; 157.02; 157.031; 157.04; 157.045; 157.05; 157.08; 157.12; 157.13; 157.14; 252.47; 256.851; 256B.501, subdivisions 3d, 3e, and 3f; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; 256D.44, subdivision 7; 256E.06, subdivisions 12 and 13; 256I.04, subdivision 1b; and Minnesota Rules, part 9500.1452, subpart 2, item B.

Senate File No. 1110 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. President:

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

S.F. No. 621: A bill for an act relating to game and fish; establishing hunting heritage week; designating mute swans as unprotected birds; providing procedures for seizure and confiscation of property; clarifying terms of short-term angling licenses; removing certain requirements relating to fish taken in Canada; specifying the areas in which deer may be taken under a license to take antlered deer in more than one zone; modifying reporting requirements; modifying hours for taking certain animals; modifying provisions relating to trapping; providing for posting of waters to prohibit fishing or motorboat operation; adjusting opening and closing dates of various seasons for taking fish; expanding the requirement to possess a trout and salmon stamp; modifying northern pike length limits; changing the date by which fish houses and dark houses must be removed from the ice in certain areas; authorizing the use of floating turtle traps; removing time limits on sale of fish by commercial licensees; requiring a plan for a firearms safety program; authorizing certain stocking activities; amending Minnesota Statutes 1994, sections 97A.015, subdivisions 28 and 52; 97A.221; 97A.451, subdivision 3; 97A.475, subdivisions 6 and 7; 97A.531, subdivision 1; 97B.061; 97B.075; 97B.301, by adding a subdivision; 97B.931; 97C.025; 97C.305, subdivision 1; 97C.345, subdivisions 1, 2, and 3; 97C.355, subdivision 7; 97C.371, subdivision 4; 97C.395, subdivision 1; 97C.401, subdivision 2; 97C.605, subdivision 3; and 97C.821; proposing coding for new law in Minnesota Statutes, chapter 10; repealing Minnesota Statutes 1994, sections 97A.531, subdivisions 2, 3, 4, 5, and 6; and 97B.301, subdivision 5.

Senate File No. 621 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Lessard moved that the Senate do not concur in the amendments by the House to S.F. No. 621, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1806, 1584 and 1837.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1995

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1806: A resolution memorializing the government of the United States to refer matters of disagreement between the citizens of Minnesota and Ontario to the International Joint Commission for examination and determination under the Root-Bryce Treaty.

Mr. Moe, R.D. moved that H.F. No. 1806 be laid on the table. The motion prevailed.

H.F. No. 1584: A bill for an act relating to human services; requiring the commissioner of human services to study and make recommendations on the administration of the community alternative care program, and to study and report on the effect on medical assistance waiver programs of medically fragile children in foster care.

Mr. Moe, R.D. moved that H.F. No. 1584 be laid on the table. The motion prevailed.

H.F. No. 1837: A bill for an act relating to the organization and operation of state government; reducing 1995 appropriations.

Mr. Moe, R.D. moved that H.F. No. 1837 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1864 at 10:00 a.m.:

Messrs. Johnson, D.J.; Belanger; Hottinger; Mses. Flynn and Reichgott Junge. The motion prevailed.

S.F. No. 257 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 257

A bill for an act relating to soil and water conservation district boards; providing that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, subdivision 1.

May 17, 1995

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. 257, 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. 257 be further amended as follows:

Page 1, line 26, after the period, insert "This subdivision does not apply to an office located in whole or in part in Anoka, Hennepin, Ramsey, or Washington county."

Page 2, line 10, after "supervisor" insert "in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington county."

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

Senate Conferees: (Signed) Steven Morse, Gary W. Laidig, Dallas C. Sams

House Conferees: (Signed) Gene Pelowski, Jr., Betty McCollum, Virgil J. Johnson

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on S.F. No. 257 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. 257 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 54 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Novak	Runbeck
Beckman	Johnson, D.E.	Lesewski	Oliver	Sams
Berglin	Johnson, J.B.	Lessard	Olson	Samuelson
Bertram	Johnston	Limmer	Ourada	Solon
Betzold	Kelly	Marty	Pariseau	Spear
Chandler	Kleis	Metzen	Piper	Stevens
Chmielewski	Knutson	Moe, R.D.	Pogemiller	Stumpf
Day	Kramer	Mondale	Price	Terwilliger
Dille	Krentz	Morse	Ranum	Vickerman
Frederickson	Kroening	Murphy	Riveness	Wiener
Hanson	Laidig	Neuville	Robertson	

Those who voted in the negative were:

Berg	Finn	Kiscaden	Merriam	Scheevel
------	------	----------	---------	----------

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Morse, Price and Murphy introduced--

S.F. No. 1708: A bill for an act relating to highways; authorizing cities to establish a municipal involvement process for certain trunk highway construction or reconstruction projects; providing for appointment of task forces for those projects and prescribing their powers; amending Minnesota Statutes 1994, sections 161.172; 161.173; 161.174; and 161.177.

Referred to the Committee on Transportation and Public Transit.

Messrs. Larson, Kroening, Neuville, Kleis and Kramer introduced--

S.F. No. 1709: A bill for an act proposing an amendment to the Minnesota Constitution; repealing article XIII, section 3; repealing the constitutional autonomy of the University of Minnesota.

Referred to the Committee on Education.

Mr. Price introduced--

S.F. No. 1710: A bill for an act relating to data privacy; limiting the designation and release of education data as directory information; amending Minnesota Statutes 1994, section 13.32, subdivisions 3 and 5.

Referred to the Committee on Judiciary.

Messrs. Vickerman, Bertram, Dille, Janezich and Day introduced--

S.F. No. 1711: A bill for an act relating to annexation; providing for annexation election; modifying procedures for orderly annexation; modifying conditions for annexation by ordinance; providing for joint planning; amending Minnesota Statutes 1994, sections 414.031, by adding a subdivision; 414.0325, subdivision 1; 414.033, subdivisions 2, 2a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 414.

Referred to the Committee on Metropolitan and Local Government.

Mr. Metzen introduced--

S.F. No. 1712: A bill for an act relating to securities; face-amount certificate companies, open-end management companies, and unit investment trusts; providing for the calculation of registration fees and uniform expiration, renewal, and reporting provisions; exempting qualified investment companies from registration; amending Minnesota Statutes 1994, sections 80A.12, subdivisions 2, 9, 10, and by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 1; and 80A.28, subdivisions 1, 3, and by adding a subdivision; repealing Minnesota Statutes 1994, sections 80A.12, subdivision 9.

Referred to the Committee on Commerce and Consumer Protection.

Ms. Runbeck, Messrs. Kleis, Larson and Ms. Robertson introduced--

S.F. No. 1713: A bill for an act relating to civil actions; providing a statute of limitations for claims against accountants; limiting liability for noneconomic losses and attorney contingency fees for actions against health care providers and medical product manufacturers; limiting punitive damage awards; providing for payment of attorney fees in certain cases; modifying waiver of medical privilege; limiting joint and several liability; amending Minnesota Statutes 1994, sections

549.01; 549.20, by adding a subdivision; 549.21, by adding a subdivision; 595.02, subdivision 5; and 604.02, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 541; and 548.

Referred to the Committee on Judiciary.

Ms. Runbeck introduced--

S.F. No. 1714: A bill for an act relating to retirement; teachers retirement association; authorizing a delayed application for disability benefits and providing for retroactive benefit entitlement for certain retired members.

Referred to the Committee on Governmental Operations and Veterans.

Ms. Runbeck, Mr. Merriam, Ms. Kiscaden and Mr. Chandler introduced--

S.F. No. 1715: A bill for an act relating to employment; providing immunity for employment references given in good faith; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Kramer, Belanger and Mrs. Pariseau introduced--

S.F. No. 1716: A bill for an act relating to taxation; property; providing a reduced class rate for certain housing for elderly persons; amending Minnesota Statutes 1994, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knutson introduced--

S.F. No. 1717: A bill for an act relating to criminal procedure; providing for rebuttal argument by the prosecution; amending Minnesota Statutes 1994, section 631.07.

Referred to the Committee on Crime Prevention.

Messrs. Neuville, Chmielewski, Ms. Johnston and Hanson introduced--

S.F. No. 1718: A bill for an act relating to traffic regulations; authorizing the commissioner of public safety to issue junior driver's license; amending Minnesota Statutes 1994, section 171.04, subdivision 1, and by adding subdivisions.

Referred to the Committee on Transportation and Public Transit.

Messrs. Solon; Metzen; Johnson, D.J.; Hottinger and Limmer introduced--

S.F. No. 1719: A bill for an act relating to occupations; regulating the practice of dental hygiene; amending Minnesota Statutes 1994, sections 150A.05; 150A.06, subdivision 2; and 150A.10, subdivision 1.

Referred to the Committee on Health Care.

Messrs. Metzen, Solon, Sams and Limmer introduced--

S.F. No. 1720: A bill for an act relating to employment; the professional employer organization act; providing for the establishment and regulation of professional employer organizations; providing penalties; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 116J.70, subdivision 2a; and 268.04, subdivision 10; proposing coding for new law as Minnesota Statutes, chapter 181C.

Referred to the Committee on Commerce and Consumer Protection.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 255 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 255

A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

May 17, 1995

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. 255, 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. 255 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [183.3521] [ELEVATOR MECHANICS; REGISTRATION.]

The wiring, installation, alteration, modernization, removal, and repair of the mechanical and electrical apparatus of an elevator that is used to move persons must be performed by a person registered by the commissioner as an elevator mechanic or by a person acting under the direct on-site supervision of a registered elevator mechanic. A registered mechanic may supervise not more than five persons performing work otherwise required to be performed by a registered mechanic.

To be registered by the commissioner, a person must have successfully completed the national elevator industry education program or a program found by the commissioner to be equivalent and must possess an elevator constructor or master elevator constructor license issued by the state board of electricity. Nothing in this section will supersede or replace sections 326.241 to 326.248.

Sec. 2. Minnesota Statutes 1994, section 183.355, subdivision 3, is amended to read:

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation may construct, install, remove, or repair an elevator that does not meet the minimum requirements of ~~this chapter~~, adopted sections 183.351 to 183.358, rules, or national codes adopted by rule.

Sec. 3. Minnesota Statutes 1994, section 183.357, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] No person, firm, or corporation may construct, perform alterations, remove, or install an elevator without ~~first filing an application for obtaining a permit with the department of labor and industry or a municipality authorized by subdivision 3 to inspect elevators. Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department.~~ Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

Sec. 4. Minnesota Statutes 1994, section 183.357, subdivision 2, is amended to read:

Subd. 2. [CONTRACTOR LICENSES.] The commissioner ~~may~~ shall by rule establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Sec. 5. Minnesota Statutes 1994, section 183.357, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees received under this section must be deposited in the state treasury and credited to the special revenue fund and are appropriated to the commissioner for the purposes of sections 183.351 to 183.358.

Sec. 6. Minnesota Statutes 1994, section 183.358, is amended to read:

183.358 [RULES.]

The commissioner ~~may~~ shall adopt rules for the following purposes:

(1) to set a fee under section ~~16A.128~~ 16A.1285 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section ~~16A.128~~ 16A.1285 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion of the national elevator ~~construction mechanic examination~~ industry education program or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators.

Sec. 7. [183.3581] [APPLICATION.]

Nothing in sections 1 to 3 shall be construed to require registration or licensure of a person, or issuance of a permit, to demolish an elevator or to do minor repair work as that term is defined in Minnesota Rules, part 3800.3500, subpart 10.

For the purpose of this section "demolish" means the removal of an elevator from a building after the elevator car and counter balances have been landed by an elevator contractor using the personnel specified under section 1.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1995. Section 5 is effective July 1, 1997. Section 6 is effective the day following final enactment."

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

Senate Conferees: (Signed) Paula E. Hanson, Steve L. Murphy, Steve Dille

House Conferees: (Signed) Phil Carruthers, Bob Johnson, Jim Rostberg

Ms. Hanson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 255 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. 255 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Langseth	Novak	Samuelson
Beckman	Janezich	Larson	Oliver	Scheevel
Berg	Johnson, D.E.	Lesewski	Olson	Solon
Berglin	Johnson, J.B.	Lessard	Ourada	Spear
Bertram	Johnston	Limmer	Pariseau	Stevens
Betzold	Kelly	Marty	Piper	Stumpf
Chandler	Kiscaden	Merriam	Pogemiller	Terwilliger
Chmielewski	Kleis	Metzen	Price	Vickerman
Cohen	Knutson	Moe, R.D.	Ranum	Wiener
Day	Kramer	Mondale	Riveness	
Dille	Krentz	Morse	Robertson	
Finn	Kroening	Murphy	Runbeck	
Frederickson	Laidig	Neuville	Sams	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 836 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 836: A bill for an act relating to commerce; rental-purchase agreements; regulating cash price and finance charges; providing for the application of certain other law; amending Minnesota Statutes 1994, sections 325F.84, subdivision 3; 325F.91, subdivision 1, and by adding a subdivision; and 325F.97, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 1994, section 325F.91, subdivision 2.

Ms. Anderson moved to amend S.F. No. 836 as follows:

Page 2, line 34, delete "twice"

The motion prevailed. So the amendment was adopted.

S.F. No. 836 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 26 and nays 37, as follows:

Those who voted in the affirmative were:

Bertram	Kiscaden	Neuville	Runbeck	Terwilliger
Day	Kleis	Oliver	Samuelson	Wiener
Dille	Knutson	Olson	Scheevel	
Hottinger	Larson	Pariseau	Solon	
Johnson, D.E.	Limmer	Reichgott Junge	Stevens	
Johnston	Metzen	Robertson	Stumpf	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Mondale	Ranum
Beckman	Frederickson	Laidig	Morse	Riveness
Berg	Hanson	Langseth	Murphy	Sams
Berglin	Janezich	Lesewski	Novak	Spear
Betzold	Johnson, J.B.	Lessard	Ourada	Vickerman
Chandler	Kelly	Marty	Piper	
Cohen	Kramer	Merriam	Pogemiller	
Finn	Krentz	Moe, R.D.	Price	

So the bill, as amended, failed to pass.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 999 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 999: A bill for an act relating to state finance; adding certain human services obligations to the requirement that state agencies promptly pay their bills; amending Minnesota Statutes 1994, section 16A.124, subdivision 8.

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

So the bill passed and its title was agreed to.

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. 1856, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1856 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1856

A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, the state board of technical colleges, state board for community colleges, state university board, board of regents of the University of Minnesota, and Mayo Medical Foundation, with certain conditions; altering requirements for the youth works program; modifying appropriations for instructional services; imposing conditions on participation in post-secondary enrollment options; removing requirements for certain reports; establishing a semester system and common calendar; requiring administrative interaction with students; modifying use of education institution data; extending time for POST board funding change; requiring review of Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; prohibiting student discipline for speech or communication; abolishing the higher education coordinating board and transferring its duties; creating the higher education service office and higher education administrators council;

prescribing changes in certain financial assistance programs; repealing the merger of the community colleges, state universities, and technical colleges; abolishing the higher education board; amending Minnesota Statutes 1994, sections 121.707, subdivisions 2 and 3; 121.709; 126.56; 126.663, subdivision 3; 126A.02, subdivision 2; 135A.031, subdivision 2; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136.172; 136A.01; 136A.03; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 7, 8, and 10; 136A.121, subdivisions 5, 6, and 9; 136A.125, subdivision 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.63; 136A.69; 136A.81, subdivision 1; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; and Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, and section 9, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; repealing Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08; 135A.09; 135A.10; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.1352; 136A.1353; 136A.1354; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.87; 136A.88; 136E.01; 136E.02; 136E.021; 136E.03; 136E.04; 136E.05; 136E.31; 136E.395; 136E.525; 136E.692; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; Laws 1991, chapter 356, article 9, as amended; and Laws 1994, chapter 532, articles 5, sections 1, 2, and 3; and 7, section 9.

May 16, 1995

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. 1856, 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. 1856 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "1996" or "1997" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1996, or June 30, 1997, respectively. "The first year" is fiscal year 1996. "The second year" is fiscal year 1997. "The biennium" is fiscal years 1996 and 1997.

SUMMARY BY FUND

	1996	1997	TOTAL
General	\$1,066,898,000	\$1,077,189,000	\$2,144,087,000

SUMMARY BY AGENCY - ALL FUNDS

	1996	1997	TOTAL
Higher Education Services Office	115,993,000	120,193,000	236,186,000
Board of Trustees of the Minnesota State Colleges and Universities	466,220,000	470,927,000	937,147,000

Board of Regents of the University of Minnesota

483,860,000

485,124,000

968,984,000

Mayo Medical Foundation

825,000

945,000

1,770,000

APPROPRIATIONS

Available for the Year

Ending June 30

1996

1997

Sec. 2. HIGHER EDUCATION
SERVICES OFFICESubdivision 1. Total
Appropriation

115,993,000

120,193,000

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

Subd. 2. State Grants

95,745,000

99,945,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the higher education services office make full grant awards in each year of the biennium.

For the biennium, the private institution tuition maximum shall be \$7,665 for four-year institutions and \$5,900 for two-year institutions.

This appropriation contains money to set the living and miscellaneous expense allowance at \$4,115 in the first year and \$4,200 in the second year.

If money is not appropriated in separate legislation for the LINC nursing grant program, the higher education services office may spend \$25,000 each year from this appropriation for the LINC program.

In order to maximize the eligibility period for students who transfer to four-year institutions, public and private two-year colleges shall review their credit requirements for program completion and examine the number of credits of financial aid eligibility that students use in the first two years.

This appropriation includes \$250,000 each year for grants to nursing programs to recruit persons of color and to provide grants to nursing students who are persons of color. Of this amount, \$100,000 each year is for recruitment and retention of students of color in nursing programs leading to licensure as a registered

nurse. Other than the grants to students, all grants shall be matched with at least the same amount from grantee sources or nonstate money.

If the federal government enacts a federal student loan risk sharing fee, the higher education services office shall recover the fee by billing the institutions that have a cohort loan default rate greater than the federal law permits.

Subd. 3. Interstate Tuition
Reciprocity

4,500,000	4,500,000
-----------	-----------

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

The higher education services office is authorized to negotiate a reciprocity agreement with the province of Ontario.

Subd. 4. State Work Study

8,219,000	8,219,000
-----------	-----------

Subd. 5. Minitex Library Program

2,108,000	2,108,000
-----------	-----------

Subd. 6. Learning Network of Minnesota

3,050,000	3,050,000
-----------	-----------

Subd. 7. Income Contingent Loans

The higher education services office shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the higher education services office for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162. No new applicants may be accepted after June 30, 1995.

Subd. 8. Agency Administration

2,371,000	2,371,000
-----------	-----------

The amount that may be spent for the parent and student information activity shall not exceed \$95,000 each year.

This appropriation includes money for the Minnesota Minority Education Partnership.

Money encumbered in fiscal year 1994 and fiscal year 1995 for youth works postservice benefits

shall not cancel but is available until the participants for whom the money was encumbered are no longer eligible to draw benefits.

Subd. 9. Balances Forward

An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 10. Transfers

The higher education services office may transfer unencumbered balances from the appropriations in this section to the state grant appropriation and the interstate tuition reciprocity appropriation.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total

Appropriation

466,220,000

470,927,000

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

If the state university board or the board of trustees of the Minnesota state colleges and universities is reimbursed under Minnesota Statutes, section 115B.43, for expenses relating to the cleanup of the Kummer landfill, the state university board or the board of trustees shall cancel the amount reimbursed to the state general fund.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$214,536,000 each year for the technical colleges.

The legislature estimates that instructional expenditures will be \$145,565,000 each year for community colleges.

The legislature estimates that instructional expenditures will be \$253,612,000 each year for state universities.

During the biennium neither the board nor campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

This appropriation includes continued support of at least \$400,000 each year for the Mid-Tec and Heartland Telecommunications Networks.

This appropriation includes \$40,000 each year

for American Indian outreach. The legislature anticipates this money will assist the Fond Du Lac campus to recruit, advise, and retain American Indian students.

It is the intent of the legislature to hold the Minnesota state colleges and universities accountable for making budgetary and policy decisions that provide students with access to high quality education and training programs. Significant and demonstrable progress toward the goals in this subdivision and in section 6, subdivision 2, are expected in this biennium for consideration in funding decisions in the next supplemental budget and in the 1998-1999 biennial budget.

The commissioner of finance shall place \$5,000,000 of the second year appropriation in a performance incentive account. The commissioner shall release \$1,000,000 of this amount to the board of trustees each time that it demonstrates that it has achieved one of the following performance measures:

- (1) increase the percentage of the budget directed to instruction and academic resources;
- (2) increase the number of credits issued through telecommunications between fiscal year 1995 and fiscal year 1996;
- (3) increase the retention of new entering freshman on state university campuses who continue into the sophomore year between fiscal year 1995 and fiscal year 1996 by at least two percent. The appropriation shall be distributed to those campuses that achieve the increase;
- (4) increase the percentage of students in two-year programs who graduate within two years of admission, and the percentage of students in four-year programs who graduate within four years of admission by at least two percent. The appropriation shall be distributed to campuses that achieve the increase; and
- (5) increase in placement rates for occupational programs and transfer rates for academic programs for community and technical colleges.

The legislature expects the board of trustees to demonstrate its commitment to enhancing educational quality, including high priority initiatives that capitalize on opportunities created by merger for: joint programs with the University of Minnesota for faculty, staff, and administrative development; enhanced opportunities for students of color; and opportunities for using technology to the advantage of students and faculty.

The legislature further expects the board of trustees to make difficult choices in its allocations, based on critical evaluations of its campuses and programs, including actions to address the 14 duplicate two-year programs located within 35 miles of each other, as identified by the legislative auditor, for which no action has yet been taken.

Each college and university shall demonstrate to the board that, in the face of severe budget constraints, it has identified those programs and functions that are central to the mission of that campus and are most critical to meeting student needs, and that the campus has redirected resources to those identified areas to protect the core educational enterprise. Further, each campus shall demonstrate that it has taken actions to improve the productivity of faculty, administrators, and staff.

The amounts for library access; Fond du Lac American Indian student outreach; incentives for co-located campuses; increased instructional appropriations; performance funding; instructional equipment; conversion to semesters; systemwide computer system development for accounting, payroll, personnel, procurement, and student records; staff training for use of systems; staff restructuring, separation payments, and unemployment insurance; and development of library collections and curriculum at Metro State University are for these purposes only and shall be nonrecurring. The amounts are \$8,741,000 in fiscal year 1996 and \$16,147,000 in fiscal year 1997.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$17,231,000 the first year and \$16,937,000 the second year for the technical colleges.

The legislature estimates that the noninstructional expenditures will be \$10,349,000 each year for the community colleges.

The legislature estimates that the noninstructional expenditures will be \$14,573,000 each year for the state universities. \$508,000 the first year and \$214,000 the second year are for debt service payments.

\$150,000 each year is for southwest Asia veterans tuition relief.

Because of its interest in improving efficiency and streamlining government operations, the

legislature intends to measure the effects of removing a campus from mandates imposed by state agencies, other than basic health and life safety issues, ADA regulations, audit requirements, and employment, affirmative action, and collective bargaining issues. Notwithstanding any law to the contrary, the board shall designate as a pilot site a state university which has a commitment to establishing cooperative arrangements with the private sector and involvement in quality initiatives. The board shall consult with the commissioner of administration in the process. The board and the university shall recommend to the legislature any statutory changes that this pilot demonstrates will promote efficiency and economy on some or all Minnesota state college and university campuses, while protecting public interests.

**Subd. 4. State Council on
Vocational Technical Education**

The appropriation in subdivision 1 includes money for the state council on vocational education.

**Sec. 4. BOARD OF REGENTS OF THE
UNIVERSITY OF MINNESOTA**

Subdivision 1. Total

Appropriation

483,860,000

485,124,000

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

**Subd. 2. Operations and
Maintenance**

395,432,000

396,421,000

(a) Instructional Expenditures

The legislature estimates that instructional expenditures will be \$421,089,000 the first year and \$421,696,000 the second year.

The university is requested to examine the feasibility of establishing a higher education research center to provide applied research on public policy trends, issues, and problems in higher education, particularly as they apply to Minnesota.

The commissioner of finance shall place \$5,000,000 of the second year appropriation in a performance incentive account. The \$5,000,000 is a nonrecurring appropriation. The commissioner shall release \$1,000,000 of this amount to the board of regents each time the university presents evidence that it has achieved one of the following performance measures:

(1) increases at the Twin Cities campus, excluding general college, in the percent of 1996 new entering freshmen ranking in the top 25 percent of their high school class;

(2) increases in the rate of retention of 1995 new entering freshmen;

(3) increases in the number of 1996 new entering freshmen who are minority students and increases in the percent of faculty hired in 1995-1996 who are women or minorities;

(4) increases in the five-year graduation rate measured between August 1994 and August 1996; and

(5) increases in the number of credits issued through telecommunications between fiscal year 1995 and fiscal year 1996.

If money is not appropriated in separate legislation for the rural physicians program, \$300,000 of this appropriation shall be added to the Duluth two-year medical school to enhance the efforts to train rural physicians. This is a nonrecurring appropriation.

The amounts for U-2000; wheat and barley scab research; performance funding; 1994 U-2000 supplement; and part of the Cambridge Bank reduction restoration are for those purposes only and shall be nonrecurring. The amounts are \$26,268,000 in fiscal year 1996 and \$27,532,000 in fiscal year 1997.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$104,994,000 each year.

Subd. 3. Special Appropriation

88,428,000

88,703,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1997 biennial budget document.

(a) Agriculture and Extension Service

47,547,000

47,797,000

This appropriation is for the Agricultural Experiment Station and Minnesota Extension Service.

\$500,000 in each year is for additional wheat and barley scab research.

Any salary increases granted by the university to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county portion of the salary payments.

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(b) Health Sciences

17,758,000

17,758,000

This appropriation is for Indigent Patients (County Papers), Rural Physicians Associates Program, Medical Research, Special Hospitals Service and Educational Offset, the Veterinary Diagnostic Laboratory, Institute for Human Genetics, Health Sciences Research, and the Biomedical Engineering Center.

(c) Institute of Technology

3,067,000

3,067,000

This appropriation is for the Geological Survey, Underground Space Center, Talented Youth Mathematics Program, Microelectronics and Information Science Center, and the Center for Advanced Manufacturing, Design, and Control.

(d) System Specials

20,056,000

20,081,000

This appropriation is for Fellowships for Minority and Disadvantaged Students, General Research, Intercollegiate Athletics, Student Loans Matching Money, Industrial Relations Education, Natural Resources Research Institute, Sea Grant College Program, Biological Process Technology Institute, Supercomputer Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, the Leadership Academy Program, and the Humphrey Exhibit. The appropriation for the Leadership Academy Program is nonrecurring.

By January 15, 1996, the board of regents is requested to provide its final report and its consultant's report on the policies and practices it has planned or implemented to comply with title VII, title IX, and the Equal Pay Act, as they apply across university activities, including men's and women's athletic coaching.

Subd. 4. Specials Transfer

The appropriation in subdivision 3, paragraph (b), for Medical Research, Special Hospitals Service and Educational Offset, and the Institute for Human Genetics; and in paragraph (c) for the Underground Space Center, Microelectronics

and Information Science Center, and the Center for Advanced Manufacturing, Design, and Control; and in paragraph (d) for the Fellowships for Minority and Disadvantaged Students, Intercollegiate Athletics, Sea Grant College Program, Biological Process Technology Institute, and the Supercomputer Institute shall be merged with the operation and maintenance funding in subdivision 2, effective June 30, 1997.

Sec. 5. MAYO MEDICAL FOUNDATION

Subdivision 1. Total

Appropriation

825,000

945,000

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

Subd. 2. Medical School

429,000

429,000

The state of Minnesota shall pay a capitation of \$10,736 each year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program

396,000

396,000

The state of Minnesota provides a capitation of \$13,192 each year for each student.

Subd. 4. St. Cloud Hospital-Mayo Family Practice Residency Program

120,000

This appropriation is to the Mayo Foundation to support four resident physicians in the St. Cloud Hospital-Mayo Family Practice Residency Program. This appropriation is contingent upon \$950,000 in matching money being made available from nonstate sources. The program shall prepare doctors to practice primary care medicine in the rural areas of the state. It is intended that this program will improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. This appropriation is nonrecurring.

Sec. 6. POST-SECONDARY SYSTEMS

Subdivision 1. Settlements

The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to summarize and report on all out-of-court settlements involving the University of Minnesota and the state colleges and universities to the chairs of the house and senate education committees. The report shall not specifically identify settlements that are covered under confidentiality agreements or orders.

Subd 2. Accountability Measures

The board of regents of the University of Minnesota is requested to, and the board of trustees of the Minnesota state colleges and universities shall, establish:

- (1) a set of accountability measures that reflect each system's specific mission; and
- (2) goals to improve each system's performance on the measures established.

Each system shall establish both system-level and institution-level accountability measures and goals. Each system will report to the legislature in the biennial budget document on the measures selected and timeline for achieving the established goals. In addition, each system will include baseline data and a description of the processes implemented to evaluate progress toward the goals established. Examples of goals include:

- (1) develop a post-tenure review process;
- (2) increase student satisfaction with the education received;
- (3) improve time to completion rates;
- (4) reduce the number of credits required to receive a degree; and
- (5) assess employer satisfaction with graduates from different programs.

ARTICLE 2**ADDITIONAL PROVISIONS**

Section 1. Minnesota Statutes 1994, section 135A.031, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATIONS FOR CERTAIN ENROLLMENTS.] The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

- (a) The state must provide at least 67 percent of the estimated expenditures for:

- (1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states or provinces who are attending a Minnesota institution under a tuition reciprocity agreement; and

(4) students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.

(b) The state must provide 32 percent of the estimated expenditures for definition of full year equivalent for purposes of the formula calculations in this chapter is twice the normal value for the following enrollments:

(1) students who are concurrently enrolled in a public secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

(c) The state may not provide any of the estimated expenditures for undergraduate students (1) who do not meet the residency criteria under paragraph (a), or (2) who have completed, without receiving a baccalaureate degree, 48 or more quarter credits or the equivalent, applicable toward the degree, beyond the number required for a baccalaureate in their major. Credits for courses in which a student received a grade of "F" or "W" shall be counted toward this maximum, as if the credits had been earned.

Sec. 2. [135A.042] [FEE WAIVER.]

The president of a state university, community college, or technical college may waive the fee assessed to a student applying for admission, if the president determines that the fee would impose an economic hardship on the student or the student's family.

Sec. 3. [135A.101] [POST-SECONDARY ENROLLMENT OPTIONS.]

Subdivision 1. [REQUIREMENTS FOR PARTICIPATION.] To participate in the post-secondary enrollment options program, a college or university must abide by the provisions in this section. The institution may provide information about its programs to a secondary school or to a pupil or parent, but may not recruit or solicit participation on financial grounds.

Subd. 2. [PROHIBITION.] An institution shall not enroll secondary pupils, for post-secondary enrollment options purposes, in developmental courses or other courses that are not college level. For the purposes of this section, a "developmental course" means a post-secondary course taken to prepare a student for college-level work and for which the post-secondary institution does not grant credit or which cannot be used to meet degree, diploma, or certificate requirements.

Sec. 4. [135A.181] [ACADEMIC CALENDAR.]

Subdivision 1. [TRANSITION TO SEMESTER SYSTEM.] The board of trustees of the Minnesota state colleges and universities shall convert, and the board of regents of the University of Minnesota is requested to convert, to the semester system by the 1998-1999 academic year. The public post-secondary institutions shall review and revise the content and structure of their academic programs, degrees, and courses, and prepare new course materials as necessary. Each public post-secondary board shall submit information on the progress to a semester system in the 1997 biennial budget document.

Subd. 2. [COMMON CALENDAR.] The semester system required in subdivision 1 shall be offered on a common calendar throughout all campuses under the jurisdiction of the board of trustees of the Minnesota state colleges and universities. This calendar shall include a common start and end date for each semester as well as common summer school schedules. The board of trustees may exempt a campus from this calendar if they determine that because of extenuating circumstances an alternative calendar would better serve students' needs.

Subd. 3. [REPEALER.] This section is repealed June 30, 1999.

Sec. 5. [135A.19] [FINANCIAL EMERGENCY.]

The board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota may immediately layoff employees, without notice, if the respective board has declared a financial emergency. All other contractual provisions relating to layoffs continue to apply. A financial emergency may be declared if, at any time: (1) the projected revenue for the system from tuition and the general fund for the current or next fiscal year is less than 93 percent of the anticipated expenditures in the board approved budget, and (2) if tuition would need to be increased more than three times the annual inflation rate to solve the shortfall.

For employees of the Minnesota state colleges and universities covered under a collective bargaining agreement, this section applies to all collective bargaining agreements effective after July 1, 1995, and shall be effective for each collective bargaining agreement covering those employees the day after it has been ratified by the legislative commission on employee relations. For represented employees of the University of Minnesota, this section applies the day following signing of the next agreement. For employees not covered by a collective bargaining agreement, this section is effective July 1, 1995. The board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota shall balance layoffs of faculty, other employees, and administrators. The boards should strive to provide uninterrupted service and instruction to students.

Sec. 6. [136A.136] [NURSING GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the supervision of the higher education services office and the administration of the metropolitan healthcare foundation's project LINC (Ladders in Nursing Careers) to provide grants to Minnesota health care facility employees seeking to complete a baccalaureate or master's degree in nursing.

Subd. 2. [RESPONSIBILITY OF METROPOLITAN HEALTHCARE FOUNDATION'S PROJECT LINC.] The metropolitan healthcare foundation's project LINC shall administer the grant program and award grants to eligible health care facility employees. To be eligible to receive a grant, a person must be:

(1) an employee of a health care facility located in Minnesota, whom the facility has recommended to the metropolitan healthcare foundation's project LINC for consideration;

(2) working part time, up to 32 hours per pay period, for the health care facility, while maintaining full salary and benefits;

(3) enrolled full time in a Minnesota school or college of nursing to complete a baccalaureate or master's degree in nursing; and

(4) a resident of the state of Minnesota.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent. The grant must be used for tuition, fees, and books. Priority in awarding grants shall be given to persons with the greatest financial need. The health care facility may require its employee to commit to a reasonable postprogram completion of employment at the health care facility as a condition for the financial support the facility provides.

Subd. 3. [RESPONSIBILITY OF HIGHER EDUCATION SERVICES OFFICE.] The higher education services office shall distribute money each year, contingent upon an appropriation, to the metropolitan healthcare foundation's project LINC to be used to award grants under this section, provided that the higher education services office shall not distribute the money unless the metropolitan healthcare foundation's project LINC matches the money with an equal amount from nonstate sources. The metropolitan healthcare foundation's project LINC shall expend nonstate money prior to expending state money and shall return to the higher education services office all state money not used each year for nursing program grants to be redistributed under this section. The metropolitan healthcare foundation's project LINC shall report to the higher education services office on its program activity as requested by the office.

Sec. 7. Minnesota Statutes 1994, section 136E.525, subdivision 3, is amended to read:

Subd. 3. [CONSOLIDATION.] ~~No~~ Changes may be made to student associations located on community college, state university, technical college, or consolidated colocated campuses ~~without with the approval of the students of each affected campus association in consultation with its state student association.~~

Sec. 8. [136E.60] [ADMINISTRATIVE INTERACTION WITH STUDENTS.]

Subdivision 1. [SYSTEM AND CAMPUS ADMINISTRATORS.] As part of their annual goal setting activity, all unrepresented system and campus academic administrators employed in their positions before July 1, 1995, shall have the expectation of substantially increasing their interaction with students through activities such as teaching a regularly scheduled course or serving as an academic advisor. Contracts for persons initially employed in unclassified administrative positions on or after July 1, 1995, shall include requirements for activities involving student contact.

Subd. 2. [EVALUATION.] Each state university, community college, and technical college campus shall provide an evaluation of this activity to the board, and the board shall include a summary of campus and system activities in its 1998-1999 biennial budget request.

Sec. 9. Minnesota Statutes 1994, section 179A.07, subdivision 4, is amended to read:

Subd. 4. [OTHER COMMUNICATION.] If an exclusive representative has been certified for an appropriate unit, the employer shall not meet and negotiate or meet and confer with any employee or group of employees who are in that unit except through the exclusive representative. This subdivision does not prevent communication to the employer, other than through the exclusive representative, of advice or recommendations by professional employees, if this communication is a part of the employee's work assignment. This subdivision does not prevent communication between public post-secondary employers and post-secondary professional employees, other than through the exclusive representative, regarding policies and matters that are not terms and conditions of employment.

Sec. 10. Minnesota Statutes 1994, section 363.03, subdivision 5, is amended to read:

Subd. 5. [EDUCATIONAL INSTITUTION.] It is an unfair discriminatory practice:

(1) To discriminate in any manner in the full utilization of or benefit from any educational institution, or the services rendered thereby to any person because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance, sexual orientation, or disability, or to fail to ensure physical and program access for disabled persons. For purposes of this paragraph, program access includes but is not limited to providing taped texts, interpreters or other methods of making orally delivered materials available, readers in libraries, adapted classroom equipment, and similar auxiliary aids or services. Program access does not include providing attendants, individually prescribed devices, readers for personal use or study, or other devices or services of a personal nature.

(2) To exclude, expel, or otherwise discriminate against a person seeking admission as a student, or a person enrolled as a student because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance, sexual orientation, or disability.

(3) To make or use a written or oral inquiry, or form of application for admission that elicits or attempts to elicit information, or to make or keep a record, concerning the ~~race, color, creed, religion, national origin, sex, age, marital status,~~ sexual orientation, or disability of a person seeking admission, except as permitted by rules of the department.

(4) To make or use a written or oral inquiry or form of application that elicits or attempts to elicit information, or to keep a record concerning the race, color, national origin, sex, age, or marital status of a person seeking admission, unless the information is collected for purposes of evaluating the effectiveness of recruitment, admissions, and other educational policies, and is maintained separately from the application.

Sec. 11. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292,

section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; and Laws 1993, First Special Session chapter 2, article 6, section 2, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1995~~ 1997.

Sec. 12. Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 6, is amended to read:

Subd. 6. POST Board

Beginning in fiscal year ~~1996~~ 1998, money for law enforcement education that is currently provided through the POST board shall be provided through general fund appropriations to be calculated at the same initial base as the previous POST funding, except that the base adjustment for the community colleges shall be \$290,000. The legislature intends that penalty surcharge dollars under Minnesota Statutes, section 626.861, subdivision 1, shall continue to be appropriated to the POST account for other lawful purposes.

Sec. 13. Laws 1994, chapter 643, section 69, is amended by adding a subdivision to read:

Subd. 1a. [FINANCING SOURCE REVIEW.] The task force shall identify current library financing sources and make recommendations on how to use the money more efficiently. The task force shall also identify additional financing sources. By February 1, 1996, the task force shall provide recommendations to the legislature on financing structures that are designed to promote cooperation and collaboration among all libraries.

Sec. 14. Laws 1994, chapter 643, section 69, is amended by adding a subdivision to read:

Subd. 1b. [ELECTRONIC LIBRARY COORDINATION PLANNING.] The task force shall build upon the leadership initiatives provided by MINITEX and the post-secondary systems, relating to the development of electronic library and information services, and develop a vision of, and plans for, the coordinated use of electronic storage and transmission in providing library and information services. The plans shall:

- (1) explore the feasibility of consolidating the PALS and LUMINA systems;
- (2) explore and make recommendations about joint acquisition of electronic access to information;
- (3) plan for the coordinated use of electronic storage and transmission in providing library and information services to Minnesota post-secondary systems, public libraries, and elementary and secondary school libraries, including appropriate connections to the Internet and eventually to the national information infrastructure;
- (4) provide for, and make recommendations about, appropriate governance and administrative structures, if needed;
- (5) provide for approaches necessary to meet the needs of distance learners; and
- (6) identify, study, and make recommendations on any other matters that the task force deems necessary for the coordination and expansion of technologies in the provision of library and information services.

The task force shall coordinate its work with the telecommunications council, the government

information access council, the MINITEX advisory committee, and the advisory council to the office of library development and services in the department of education.

Sec. 15. [CREDIT TRACKING.]

The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to develop a centralized electronic tracking system of credits earned by students.

Sec. 16. [COMPENSATION PLANS AND LABOR AGREEMENTS.]

In negotiating labor agreements that are collectively bargained and compensation plans for all public higher education system employees, the legislature expects the board of trustees of the Minnesota state colleges and universities, the board of regents of the University of Minnesota, the commissioner of employee relations, and the legislative commission on employee relations to achieve these goals:

(1) define the expected work activities and other professional responsibilities of all employees in order to increase course availability to students, to enhance instructional quality, to ensure student access to faculty, and to ensure that institution and system missions are served;

(2) reassess existing layoff procedures, tuition waivers, layoff notices, employee transfers between campuses, employee evaluations, and sabbaticals to ensure that institutional and system missions are served;

(3) define reasonable work week and work year for full-time employees to ensure that institutional and system missions are served; and

(4) articulate a common understanding regarding when system administrators may interact with employees outside of meet and confer provisions in collective bargaining agreements.

Sec. 17. [AKITA.]

Subdivision 1. [INTENT.] The legislature intends to provide opportunities for international programs that enhance the global perspective and understanding of post-secondary students. However, with increasing fiscal constraints, the legislature intends that these programs operate in an efficient and effective manner.

Subd. 2. [PLAN.] The state university board and the board of trustees of the state colleges and universities shall begin immediately to prepare and implement a plan to make the Akita program more efficient. The plan shall provide for the expansion of enrollment in the Akita program and, by the 1997-1998 academic year, for the reduction of the per full year enrollment expenditure level associated with the program. The boards shall work in cooperation with the state university campuses and other Minnesota colleges and universities to determine the reasons for the low enrollment levels in the Akita program and to find efficient ways to address these enrollments. The boards shall also examine the uses of state money in support of the program, determine more efficient ways to use state resources, and seek more nonstate funding. As part of the plan, the boards shall specify the interim and final measures that will be used to determine the effectiveness of the plan, including appropriate programmatic cost comparisons and specific targets for reduction of state expenditures.

Subd. 3. [RECOMMENDATIONS.] By September 15, 1995, the board of trustees shall forward its recommendations and performance measures to the chairs of the higher education divisions of the senate and house education committees. As part of its 1998-1999 biennial budget request, the board of trustees shall include documentation on the effectiveness of its plan including the Akita program's performance on each of the measures in the plan.

Sec. 18. [FACILITY USE.]

The post-secondary governing boards and their campuses shall determine ways in which campus facilities can be used more efficiently in order to (1) reduce the need for state physical plant investments, and (2) to improve students' opportunities for timely completion. The boards shall consider schedule changes such as expanded summer terms, increased weekend and evening

courses, short courses, and other scheduling alternatives. As part of their 1998-1999 biennial budget requests, the boards shall demonstrate the changes that their campuses have made or plan to make, and the performance measures that will be used to determine the effectiveness of these changes.

Sec. 19. [INTERPRETING AND TRANSLATING PROGRAM.]

Subdivision 1. [CHARGE.] The board of trustees of the state colleges and universities shall develop a model instruction program in spoken language interpreting and translating services, as provided in this section. In developing the program, the board shall consult with the University of Minnesota; non-English speaking communities; the prosecution, defense, and judiciary systems; the interpreting and translating communities; battered women's programs; and government and nonprofit agencies providing human, social, and health services.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply.

(a) "Interpreter" means any person who is readily able to comprehend a message uttered in one language and reexpress that message in a spoken form in a second language without modifying the meaning in any significant way.

(b) "Translator" means any person who is readily able to comprehend a message written in one language and reexpress the message in a written form in a second language without modifying the meaning in any significant way.

Subd. 3. [BOARD RESPONSIBILITIES.] (a) The board shall determine the need for, and recommend programs to meet educational training needs in, spoken language interpreting and translating services at the certificate level, associate degree level, or both. Courses shall be designed to articulate with advanced education and training programs in the field. The curriculum shall, at a minimum, include instruction in:

- (1) spoken language proficiency to meet potential client needs;
- (2) technical terminology needed for specialization;
- (3) ethical standards involved in interpreting and translating;
- (4) background in the culture of the language relevant to the interpretation and translation;
- (5) internship needs and other practical opportunities to serve clients; and
- (6) fundamental skills in effective interpreting and translating.

(b) The board shall review and recommend programs to train providers in the appropriate use of interpreters and translators.

(c) The board shall:

(1) collect and review recent data to determine the number of non-English speaking residents and the native language of these persons;

(2) determine geographic areas in Minnesota with the greatest need for spoken language and translator services;

(3) determine the most efficient and effective ways of delivering the program to areas of need;

(4) recommend what provider or providers can best implement and deliver the program, with emphasis on encouraging collaborative efforts;

(5) determine the cost of implementing and providing the program, including the possibility of competitive grants; and

(6) consult with persons developing the statewide judicial interpreter certification and training program under Laws 1994, chapter 636, article 1, section 14.

(d) The board shall transmit its recommendations, together with its plan to develop appropriate programs, to the appropriate committees of the legislature by January 20, 1996.

Sec. 20. [CAREER PLANNING AND JOB PLACEMENT INFORMATION.]

Subdivision 1. [PLAN.] The state universities, community colleges, and technical colleges shall each develop and implement plans, in conjunction with the board of trustees, to provide job placement history and projected demand to students at the time the student declares a major program or field of study. The University of Minnesota campuses are requested to develop and implement similar plans.

Subd. 2. [CONTENTS.] Information provided must include program placement history, and projected demand in the field and in associated types of placement, using labor market forecasting information from the department of economic security. The plan must provide for students to indicate in writing that they received the information.

Subd. 3. [OUTCOMES.] As part of its biennial budget request, the board of trustees shall demonstrate its efforts to better inform students about careers and provide a summary of job placement data.

Sec. 21. [SABBATICALS.]

The board of trustees of the Minnesota state colleges and universities shall develop policies and procedures to ensure that the granting of sabbaticals is for the purpose of encouraging special studies, investigations, and research that contribute to the quality of education, scholarship, and service. To fulfill this purpose, the policies shall primarily grant sabbaticals to faculty and to administrators with academic responsibilities. Additionally, the policies shall provide for annual summary reporting to the board of all sabbatical plans approved by a president or the chancellor, as appropriate, with final summary reports of results achieved and the salary and other costs paid on behalf of the faculty members or administrators during the sabbaticals. The board of regents of the University of Minnesota is requested to review its sabbatical policies, and to make any necessary adjustments to meet the purpose described in this section, and also provide for the reporting of sabbatical related information.

Sec. 22. [REPEALER.]

Minnesota Statutes 1994, sections 136A.16, subdivision 11; 137.31, subdivision 6; 137.35, subdivision 4; and 137.38, are repealed.

Sec. 23. [EFFECTIVE DATES.]

Section 1, paragraph (c), is effective July 1, 1995, for students beginning classes as freshmen in a Minnesota public post-secondary institution. Section 17 is effective the day following final enactment.

ARTICLE 3

HIGHER EDUCATION SERVICES OFFICE AND FINANCIAL AID

Section 1. Minnesota Statutes 1994, section 126.56, is amended to read:

126.56 [SUMMER SCHOLARSHIPS FOR ACADEMIC ENRICHMENT.]

Subdivision 1. [ESTABLISHMENT.] A scholarship program is established to enable secondary students to attend summer programs sponsored by post-secondary institutions.

Subd. 2. [ELIGIBLE STUDENT.] To be eligible for a scholarship, a student shall:

- (1) be a United States citizen or permanent resident of the United States;
- (2) be a resident of Minnesota;
- (3) attend an eligible program;
- (4) have completed at least one year of secondary school but not have graduated from high school;
- (5) have earned at least a B average during the semester or quarter prior to application, or have

earned at least a B average during the semester or quarter prior to application in the academic subject area applicable to the summer program the student wishes to attend; and

(6) demonstrate need for financial assistance.

Subd. 3. [FINANCIAL NEED.] Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The higher education ~~coordinating board~~ services office shall review the financial need of each pupil to meet the actual costs of attending the summer program, as determined by the institution sponsoring the summer program. The ~~board~~ office shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient, the ~~board~~ office shall allocate the amount appropriated in the manner it determines. A scholarship shall not exceed \$1,000.

Subd. 4. [ELIGIBLE INSTITUTIONS.] A scholarship may be used only at an eligible institution. A Minnesota public post-secondary institution is an eligible institution. A private post-secondary institution is eligible if it:

(1) is accredited by the North Central Association of Colleges;

(2) offers an associate or baccalaureate degree program approved under section 136A.65, subdivision 1; and

(3) is located in Minnesota.

Subd. 4a. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. To be eligible, a program must:

(1) provide, as its primary purpose, academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign languages;

(2) not be offered for credit to post-secondary students;

(3) not provide remedial instruction;

(4) meet any other program requirements established by the state board of education and the higher education ~~coordinating board~~ services office; and

(5) be approved by the commissioner.

Subd. 5. [ADVISORY COMMITTEE.] An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education ~~coordinating board~~ services office in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include the executive director of the higher education ~~coordinating board~~ services office or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative ~~appointed by the community college chancellor~~, and a state university representative appointed by the ~~state university chancellor of the Minnesota state colleges and universities~~, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires June 30, ~~1995~~ 1997.

Subd. 6. [INFORMATION.] The higher education ~~coordinating board~~ services office, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs.

Subd. 7. [ADMINISTRATION.] The higher education ~~coordinating board~~ services office and commissioner shall determine the time and manner for scholarship applications, awards, and program approval.

Subd. 8. [EXEMPTION FROM RULEMAKING.] Sections 14.01 to 14.47 do not apply to this section.

Sec. 2. Minnesota Statutes 1994, section 126.663, subdivision 3, is amended to read:

Subd. 3. [MODEL LEARNER OUTCOMES.] The department shall develop and maintain model learner outcomes in state board identified subject areas, including career vocational learner outcomes. The department shall make learner outcomes available upon request by a district. Learner outcomes shall be for pupils in early childhood through grade 12. The department shall consult with each of the public post-secondary systems ~~and with the higher education coordinating board~~ in developing model learner outcomes appropriate for entry into post-secondary institutions. Learner outcomes shall include thinking and problem solving skills.

Sec. 3. Minnesota Statutes 1994, section 135A.08, subdivision 1, is amended to read:

Subdivision 1. [COURSE EQUIVALENCY.] ~~The regents of the University of Minnesota, state university board, state board for community colleges, and state board of technical colleges, in conjunction with the higher education coordinating board, and the trustees of the Minnesota state colleges and universities shall develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer. Subject to the determination of the higher education coordinating board made in consultation with the state board of technical colleges,~~ Course equivalency guides shall not be required for vocational technical programs that have not been divided into identifiable courses. The governing boards of private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.

Sec. 4. Minnesota Statutes 1994, section 135A.08, subdivision 2, is amended to read:

Subd. 2. [COMMON NUMBERING.] ~~The regents of the University of Minnesota, state university board, state board for community colleges, and state board of technical colleges, in conjunction with the higher education coordinating board, and the trustees of the Minnesota state colleges and universities shall develop and maintain a common numbering convention to distinguish remedial, lower division, upper division, and graduate level coursework. The governing boards of private institutions that grant associate and baccalaureate degrees are requested to cooperate in the development of this numbering convention.~~

Sec. 5. Minnesota Statutes 1994, section 135A.10, subdivision 1, is amended to read:

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

Sec. 6. Minnesota Statutes 1994, section 135A.12, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] ~~This section applies to the higher education coordinating board, each public post-secondary governing board, and each public post-secondary institution, and each school board that operates a technical college.~~

Sec. 7. Minnesota Statutes 1994, section 135A.15, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIRED.] ~~The governing board of each public technical college, community college, or state university trustees of the Minnesota state colleges and universities shall, and the University of Minnesota is requested to, adopt a clear, understandable written policy on sexual harassment and sexual violence that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the crime victims reparations board and the office of the crime victim ombudsman. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents occurring on property owned by the post-secondary system or institution in which the victim is a student or employee of that system or institution. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators.~~

During student registration, each technical college, community college, or state university shall, and the University of Minnesota is requested to, provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times. Each private post-secondary institution that ~~enrolls students who receive state financial aid is an eligible institution as defined in section 136A.101, subdivision 4,~~ must adopt a policy that meets the requirements of this section. ~~The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.~~

Sec. 8. Minnesota Statutes 1994, section 135A.153, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND DESIGNATION.] The higher education center on violence and abuse is created. The higher education center on violence and abuse shall be located at and managed by a public or private post-secondary institution in Minnesota. ~~The higher education coordinating board shall designate the location of the center following review of proposals from potential higher education sponsors.~~

Sec. 9. Minnesota Statutes 1994, section 136A.01, is amended to read:

136A.01 [HIGHER EDUCATION SERVICES OFFICE.]

Subdivision 1. [CREATION.] ~~A coordinating board~~ An office for higher education in the state of Minnesota, to be known as the Minnesota higher education ~~coordinating board~~ services office or HESO, is ~~hereby~~ created.

Subd. 2. [RESPONSIBILITIES.] The higher education services office is responsible for:

(1) necessary state level administration of financial aid programs, including accounting, auditing, and disbursing state and federal financial aid funds, and reporting on financial aid programs to the governor and the legislature;

(2) approval, registration, licensing, and financial aid eligibility of private collegiate and career schools, under sections 136A.61 to 136A.71 and chapter 141;

(3) administering the telecommunications council under Laws 1993, First Special Session chapter 2, article 5, section 2, the Learning Network of Minnesota, and the statewide library task force;

(4) negotiating and administering reciprocity agreements;

(5) publishing and distributing financial aid information and materials, and other information and materials under section 136A.87, to students and parents;

(6) collecting and maintaining student enrollment and financial aid data;

(7) administering the federal programs that affect students and institutions on a statewide basis;
and

(8) prescribing policies, procedures, and rules under chapter 14 necessary to administer the programs under its supervision.

Sec. 10. [136A.011] [HIGHER EDUCATION SERVICES COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The higher education services council consists of eight citizens and one student appointed by the governor. In making appointments, the governor shall consider the geographic, gender, and ethnic diversity in the state. No more than five members of the council may belong to the same political party. The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment. The student advisory council shall recommend two to four candidates for the student position. The governor is not bound by these recommendations. A nonstudent member of the council may not be an employee of or receive compensation from a public or private post-secondary institution while serving on the council. A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but may not otherwise be employed or compensated by a post-secondary institution while serving on the council.

The term of each citizen member is six years, and that of the student member is two years. As nearly as possible, one-third of the terms of the members must expire every two years. The compensation, removal of voting members, and filling of vacancies among voting members on the council is governed by section 15.0575, subdivisions 3, 4, and 5.

Subd. 2. [DUTIES.] The council shall:

- (1) appoint the director of the higher education services office, as provided in section 136A.03;
- (2) provide advice and review regarding the performance of the higher education services office in its duties and in any policies, procedures, or rules the office prescribes to perform its duties; and
- (3) communicate with and make recommendations to the governor and the legislature.

Sec. 11. Minnesota Statutes 1994, section 136A.03, is amended to read:

136A.03 [EXECUTIVE OFFICERS; EMPLOYEES.]

~~The higher education coordinating board may appoint an executive secretary or director as its principal executive officer, and such other officers and employees as it may deem necessary to carry out its duties. The executive secretary or director of the higher education services office shall possess such the powers and perform such the duties as are delegated prescribed by the board higher education services council and shall serve in the unclassified service of the state civil service. The salary of the executive director shall be established pursuant by the higher education services council according to section 15A.081, subdivision 1. The executive director shall be a person qualified by training and ability or experience in the field of higher education or in educational financial aid administration. The board director may also appoint other officers and professional employees who shall serve in the unclassified service of the state civil service and fix the salaries thereof which shall be commensurate with salaries in the classified service. All other employees shall be in the classified civil service.~~

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in ~~some aspect~~ financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the ~~board~~ office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

Sec. 12. [136A.031] [ADVISORY GROUPS.]

Subdivision 1. [APPOINTMENT.] The higher education services council may appoint advisory task forces as necessary to assist in the administration of the higher education services office responsibilities. The task forces' expiration and the terms, compensation, and removal of members are as provided in section 15.059.

Subd. 2. [HIGHER EDUCATION ADVISORY COUNCIL.] A higher education advisory council (HEAC) is established. The HEAC is composed of the president and the senior vice-president for academic affairs of the University of Minnesota; the chancellor of the Minnesota state colleges and universities; the associate vice-chancellors of the state universities, community colleges, and technical colleges; the commissioner of education; the president of the private college council; and a representative from the Minnesota association of private post-secondary schools. The HEAC shall (1) bring to the attention of the higher education services council any matters that the HEAC deems necessary, and (2) review and comment upon matters before the council. The council shall refer all proposals to the HEAC before submitting recommendations to the governor and the legislature. The council shall provide time for a report from the HEAC at each meeting of the council.

Subd. 3. [STUDENT ADVISORY COUNCIL.] A student advisory council (SAC) to the higher education services council is established. The members of SAC shall include the chair of the University of Minnesota student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota technical college student association, the president of the Minnesota association of

private college students, and a student who is enrolled in a private vocational school, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

The higher education services council shall inform the SAC of all matters related to student issues under consideration and shall refer all proposals to the SAC before taking action or sending the proposals to the governor or legislature. The SAC shall report to the higher education services council quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the council within 30 days after the director's request for a meeting.

The SAC shall:

(1) bring to the attention of the higher education services council any matter that the SAC believes needs the attention of the council;

(2) make recommendations to the higher education services council as it finds appropriate;

(3) appoint student members to the higher education services council advisory groups as provided in subdivision 4; and

(4) provide any reasonable assistance to the council.

Subd. 4. [STUDENT REPRESENTATION.] If requested by the SAC, the director must place at least one student from an affected educational system on any task force created under subdivision 1. The student member or members shall be appointed by the SAC.

Sec. 13. Minnesota Statutes 1994, section 136A.043, is amended to read:

136A.043 [INFORMATION TECHNOLOGY.]

~~The higher education coordinating board services office shall initiate activities to coordinate state policy development regarding the use of information technology in post-secondary education instruction and administration. These activities shall include at least the following: a survey, conducted in collaboration with the post-secondary education systems, of existing information technology use and needs of institutions and regions; initiation of collaborative activities to share information and resources; and provision of opportunities for post-secondary education policy makers to review issues and needs for policy development.~~

Sec. 14. Minnesota Statutes 1994, section 136A.05, subdivision 1, is amended to read:

~~Subdivision 1. All public institutions of higher education, all school districts providing post-secondary vocational education, and all state departments and agencies shall cooperate with and supply information requested by the higher education coordinating board services office in order to enable it to carry out and perform its duties. Private post-secondary institutions are requested to cooperate and provide information.~~

Sec. 15. Minnesota Statutes 1994, section 136A.07, is amended to read:

136A.07 [REPORTS.]

~~The higher education coordinating board services office shall report periodically to the governor and legislature concerning its activities from time to time and may report in connection therewith to the governing body of each institution of higher education in the state, both public and private. It shall file a formal report with the governor not later than October 15 of and legislature each even-numbered year so that the information therein contained, including recommendations, may be embodied in the governor's budget message to the legislature. It shall also report to the legislature not later than November 15 of each even-numbered year.~~

Sec. 16. Minnesota Statutes 1994, section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms "province" and "provincial" mean the Canadian province of Manitoba.

Subd. 2. [AUTHORIZATION.] The ~~Minnesota higher education coordinating board services office~~, in consultation with the commissioner of finance and each affected public post-secondary board, may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. 3. [WISCONSIN.] A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the ~~board office~~ and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the ~~board office~~ in the general fund of the state treasury. The amount required for the payments shall be certified by the ~~executive director of the higher education coordinating board office~~ to the commissioner of finance annually.

Subd. 4. [NORTH DAKOTA; SOUTH DAKOTA.] A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the ~~board office~~ and a duly designated agency representing North Dakota. In adopting a formula, the ~~board office~~ shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the ~~board office~~ in the general fund. The amount required for the payments shall be certified by the ~~executive director of the higher education coordinating board office~~ to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 5. [FINANCIAL AID.] The ~~board office~~ may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 6. [APPROVAL.] An agreement made by the ~~board office~~ under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board. A valid agreement under this subdivision that incurs additional financial liability to the state or to any of the Minnesota public post-secondary boards, beyond enrollment funding adjustments, must be submitted to the commissioner of finance and to the chairs of the higher education finance divisions of the senate and house for review. The agreement remains valid unless it is disapproved in law.

Sec. 17. Minnesota Statutes 1994, section 136A.101, subdivision 2, is amended to read:

Subd. 2. "Board" "Office" means the Minnesota higher education ~~coordinating board services office~~.

Sec. 18. Minnesota Statutes 1994, section 136A.101, subdivision 3, is amended to read:

Subd. 3. "Director" means the ~~executive~~ director of the Minnesota higher education ~~coordinating board services office~~.

Sec. 19. Minnesota Statutes 1994, section 136A.101, subdivision 5, is amended to read:

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance

to meet the ~~actual~~ recognized costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant's parents, by a ~~college scholarship service or equivalent service under criteria established by the board~~ the federal need analysis.

Sec. 20. Minnesota Statutes 1994, section 136A.101, subdivision 8, is amended to read:

Subd. 8. "Resident student" means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months without being enrolled at a post-secondary educational institution for more than five credits in any term;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Sec. 21. Minnesota Statutes 1994, section 136A.101, subdivision 10, is amended to read:

Subd. 10. "Satisfactory academic progress" means that:

(1) ~~at the end of a point between a student's first and second academic year of attendance at an institution;~~

(~~4~~) the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with ~~its~~ the institution's graduation requirements; ~~or and~~

(2) ~~The student's failure to have at least a cumulative grade point average of C or its equivalent, or academic standing consistent with its graduation requirements, was caused by (a) the death of a relative of the student; (b) an injury or illness of the student; or (c) other special circumstances. by the end of the first term of the third and fourth academic year of attendance, (i) the student has a cumulative grade point average of at least a C or its equivalent, (ii) the student's advisor certifies that the student has reviewed the general education requirements necessary for graduation and is making satisfactory progress toward completing them, and (iii) the student's advisor certifies that the student has chosen a major and reviewed the requirements necessary for completion of the major.~~

Sec. 22. Minnesota Statutes 1994, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANT STIPENDS.] The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) ~~a contribution by the grant applicant~~ the assigned student responsibility of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(2) ~~for an applicant who is not an independent student, a contribution by the grant applicant's parents, the assigned family responsibility, as determined by a standardized~~ the federal need analysis, which for (i) dependent students, is the parental contribution as calculated by the federal need analysis, and for (ii) independent students, is the student contribution as determined by the federal need analysis; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is ~~\$100~~ \$300 per academic year.

Sec. 23. Minnesota Statutes 1994, section 136A.121, subdivision 6, is amended to read:

Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of attendance consists of allowances specified by the board in law for room and board and miscellaneous expenses, and

(1) for public institutions, tuition and fees charged by the institution; or

(2) for private institutions, an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the instructional costs per full year equivalent student in comparable public institutions private institution tuition maximums established in law.

(b) For the purpose of paragraph (a), clause (2), "comparable public institutions" to both the private institution tuition maximum for two- and four-year, private, residential, liberal arts, degree-granting colleges and universities must be the same.

(c) For a student attending less than full time, the ~~board~~ office shall prorate the recognized cost of attendance to the actual number of credits for which the student is enrolled.

The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in clause (1) or (2), with no allowance for living expenses.

Sec. 24. Minnesota Statutes 1994, section 136A.121, subdivision 9, is amended to read:

Subd. 9. [AWARDS.] An undergraduate student who meets the ~~board's office's~~ requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or 12 quarters, excluding courses taken from a Minnesota school or post-secondary institution which is not participating in the state grant program and from which a student transferred no credit.

Sec. 25. Minnesota Statutes 1994, section 136A.121, is amended by adding a subdivision to read:

Subd. 9a. [FULL-YEAR GRANTS.] Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, except that the calculation must subtract any Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

Sec. 26. Minnesota Statutes 1994, section 136A.121, subdivision 16, is amended to read:

Subd. 16. [HOW APPLIED; ORDER.] Grants awarded under this section ~~and sections 136A.132 to 136A.1354~~ must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

Sec. 27. Minnesota Statutes 1994, section 136A.125, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant must be based on:

- (1) the income of the applicant and the applicant's spouse, if any;
- (2) the number in the applicant's family, as defined by the board; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be ~~\$1,500~~ \$1,700 for each eligible child per academic year. The ~~board office~~ shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 28. Minnesota Statutes 1994, section 136A.125, subdivision 6, is amended to read:

Subd. 6. [YEARLY ALLOCATIONS TO INSTITUTIONS.] The ~~board office~~ shall base yearly allocations on the need for funds using relevant factors as determined by the ~~board office~~ in

consultation with the institutions. Up to five percent of the allocation money spent on students' child care awards, as determined by the board office, may be used for an institution's administrative expenses related to the child care grant program. Any money designated, but not used, for this purpose must be reallocated to child care grants. An institution may carry forward or backward ten percent of its annual allocation to be used for awards in the previous or subsequent academic year.

Sec. 29. Minnesota Statutes 1994, section 136A.1359, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the authority of the higher education ~~coordinating board~~ services office to provide grants to students who are persons of color who are entering or enrolled in an educational program that leads to licensure as a registered nurse, or advanced nursing education.

Sec. 30. Minnesota Statutes 1994, section 136A.1359, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to receive a grant, a student shall be:

- (1) a citizen of the United States or permanent resident of the United States;
- (2) a resident of the state of Minnesota;
- (3) an Asian Pacific-American, African-American, American Indian, or Hispanic-American (Latino, Chicano, or Puerto Rican);
- (4) entering or enrolled in a nursing program in Minnesota that leads to licensure as a registered nurse, a baccalaureate degree in nursing, a master's degree in nursing, or program of advanced nursing education; and

(5) eligible under any additional criteria established by the school, college, or program of nursing in which the student is enrolled. ~~Students applying for a grant must be willing to practice in Minnesota for at least three years following licensure.~~

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Sec. 31. Minnesota Statutes 1994, section 136A.1359, subdivision 3, is amended to read:

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each school, college, or program of nursing that wishes to participate in the student nursing grant program shall apply to the higher education ~~coordinating board~~ services office for grant money, according to policies established by the ~~board office~~. A school, college, or program of nursing shall establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing educational program and must give priority to students with the greatest financial need. Grants must be \$2,500 per year. Each grant must be for a minimum of \$2,000 but not exceed \$4,000. Each school, college, or program of nursing shall agree that the money awarded through this grant program must not be used to replace any other grant or scholarship money for which the student would be otherwise eligible.

Sec. 32. Minnesota Statutes 1994, section 136A.15, subdivision 3, is amended to read:

Subd. 3. "~~Board~~" "Office" means the Minnesota higher education ~~coordinating board~~ services office.

Sec. 33. Minnesota Statutes 1994, section 136A.15, subdivision 4, is amended to read:

Subd. 4. "Director" means the ~~executive~~ director of the Minnesota higher education ~~coordinating board~~ services office.

Sec. 34. Minnesota Statutes 1994, section 136A.16, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding chapter 16B, the Minnesota higher education ~~coordinating board~~ services office is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to 136A.1702. The ~~board office~~ may establish one or more loan programs.

Sec. 35. Minnesota Statutes 1994, section 136A.233, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education ~~coordinating board~~ services office.

(d) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 36. Minnesota Statutes 1994, section 136A.26, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The Minnesota higher education facilities authority shall consist of eight members appointed by the governor with the advice and consent of the senate, and ~~the executive director of the Minnesota higher education coordinating board. The executive director of the coordinating board may designate a member of the director's staff to sit in the director's place as a member of the authority~~ a representative of the higher education services office.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

Sec. 37. Minnesota Statutes 1994, section 136A.26, subdivision 2, is amended to read:

Subd. 2. [TERM; COMPENSATION; REMOVAL.] The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the ~~executive director of the higher education coordinating board or the director's designee~~ representative of the higher education services office, and the chief executive officer president of the private college council, shall be as provided in section 15.0575.

Sec. 38. Minnesota Statutes 1994, section 136A.42, is amended to read:

136A.42 [ANNUAL REPORT.]

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and shall annually ~~make a report thereof to the higher education coordinating board services office. The higher education coordinating board shall review and comment upon the report and make such recommendations as it deems necessary to the governor and the legislature.~~

Sec. 39. Minnesota Statutes 1994, section 136A.62, subdivision 2, is amended to read:

Subd. 2. ~~[BOARD OFFICE.]~~ "Board" "Office" means the Minnesota higher education ~~coordinating board services office.~~

Sec. 40. [136A.685] [PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR MISREPRESENTATION.]

The office shall not provide registration or degree or name approval to a school if there has been a criminal or civil adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the school or its owner, officers, agents, or sponsoring organization. Such an adjudication of fraud or misrepresentation shall be sufficient cause for the office to determine that a school:

(1) does not qualify for exemption under section 136A.657; or

(2) is not approved to grant degrees or to use the term "academy," "institute," or "university" in its name.

Sec. 41. Minnesota Statutes 1994, section 136A.69, is amended to read:

136A.69 [FEES.]

The ~~board may~~ office shall collect reasonable registration fees ~~not to exceed \$450 for an initial registration of each school and \$350 for each annual renewal of an existing registration~~ that are sufficient to recover, but do not exceed, its costs of administering the registration program.

Sec. 42. Minnesota Statutes 1994, section 136A.81, subdivision 1, is amended to read:

Subdivision 1. [FEES AND TUITION.] Except for an administration fee ~~of \$6 a credit hour established by the governing board at a level to recover costs, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit adult vocational education courses in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. For the purposes of this section and section 136A.80, the term "noncredit adult vocational education courses" shall not include those adult vocational education courses designed and offered specifically and exclusively for senior citizens.~~

The provisions of this section and section 136A.80 do not apply to noncredit courses designed and offered by the University of Minnesota, and the Minnesota state ~~university system, the community college system, and the technical colleges and universities~~ specifically and exclusively for senior citizens. Senior citizens enrolled under the provisions of this section and section 136A.80 shall not be included by such institutions in their computation of full-time equivalent students when requesting staff or appropriations. The enrollee shall pay laboratory or material fees.

Sec. 43. Minnesota Statutes 1994, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by ~~\$650 as a nonrefundable application fee established by the office that is sufficient to recover, but not exceed, its administrative costs.~~

(b) All licenses shall expire one year from the date issued by the ~~board~~ office. Each renewal application shall be accompanied by a nonrefundable renewal fee ~~of \$650 established by the office that is sufficient to recover, but does not exceed, its administrative costs.~~

(c) Application for renewal of license shall be made at least 30 days before the expiration of the school's current license. Each renewal form shall be supplied by the ~~board~~ office. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the ~~board~~ office.

Sec. 44. Minnesota Statutes 1994, section 144.1487, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of sections 144.1487 to 144.1492, the following ~~definitions apply~~ definition applies.

(b) ~~"Board" means the higher education coordinating board.~~

(e) "Health professional shortage area" means an area designated as such by the federal Secretary of Health and Human Services, as provided under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E.

Sec. 45. Minnesota Statutes 1994, section 144.1488, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF THE COMMISSIONER OF HEALTH.] The commissioner shall administer the state loan repayment program. The commissioner shall:

(1) ensure that federal funds are used in accordance with program requirements established by the federal National Health Services Corps;

(2) notify potentially eligible loan repayment sites about the program;

(3) develop and disseminate application materials to sites;

(4) review and rank applications using the scoring criteria approved by the federal Department of Health and Human Services as part of the Minnesota department of health's National Health Services Corps state loan repayment program application;

(5) select sites that qualify for loan repayment based upon the availability of federal and state funding;

(6) ~~provide the higher education coordinating board with a list of qualifying sites; and~~

~~(7) carry out other activities necessary to implement and administer sections 144.1487 to 144.1492.~~

~~The commissioner shall enter into an interagency agreement with the higher education coordinating board to carry out the duties assigned to the board under sections 144.1487 to 144.1492.~~

(7) verify the eligibility of program participants;

(8) sign a contract with each participant that specifies the obligations of the participant and the state;

(9) arrange for the payment of qualifying educational loans for program participants;

(10) monitor the obligated service of program participants;

(11) waive or suspend service or payment obligations of participants in appropriate situations;

(12) place participants who fail to meet their obligations in default; and

(13) enforce penalties for default.

Sec. 46. Minnesota Statutes 1994, section 144.1488, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE HEALTH PROFESSIONALS.] (a) To be eligible to apply to the ~~higher education coordinating board~~ commissioner for the loan repayment program, health professionals must be citizens or nationals of the United States, must not have any unserved obligations for service to a federal, state, or local government, or other entity, and must be ready to begin full-time clinical practice upon signing a contract for obligated service.

(b) In selecting physicians for participation, the ~~board~~ commissioner shall give priority to physicians who are board certified or have completed a residency in family practice, osteopathic general practice, obstetrics and gynecology, internal medicine, or pediatrics. A physician selected for participation is not eligible for loan repayment until the physician has an employment agreement or contract with an eligible loan repayment site and has signed a contract for obligated service with the ~~higher education coordinating board~~ commissioner.

Sec. 47. Minnesota Statutes 1994, section 144.1489, subdivision 1, is amended to read:

Subdivision 1. [CONTRACT REQUIRED.] Before starting the period of obligated service, a participant must sign a contract with the ~~higher education coordinating board~~ commissioner that specifies the obligations of the participant and the board commissioner.

Sec. 48. Minnesota Statutes 1994, section 144.1489, subdivision 3, is amended to read:

Subd. 3. [LENGTH OF SERVICE.] Participants must agree to provide obligated service for a minimum of two years. A participant may extend a contract to provide obligated service for a third year, subject to ~~board~~ approval by the commissioner and the availability of federal and state funding.

Sec. 49. Minnesota Statutes 1994, section 144.1489, subdivision 4, is amended to read:

Subd. 4. [AFFIDAVIT OF SERVICE REQUIRED.] Within 30 days of the start of obligated service, and by February 1 of each succeeding calendar year, a participant shall submit an affidavit to the ~~board commissioner~~ stating that the participant is providing the obligated service and which is signed by a representative of the organizational entity in which the service is provided. Participants must provide written notice to the ~~board commissioner~~ within 30 days of: a change in name or address, a decision not to fulfill a service obligation, or cessation of clinical practice.

Sec. 50. Minnesota Statutes 1994, section 144.1490, is amended to read:

144.1490 [RESPONSIBILITIES OF THE LOAN REPAYMENT PROGRAM.]

Subdivision 1. [LOAN REPAYMENT.] Subject to the availability of federal and state funds for the loan repayment program, the ~~higher education coordinating board~~ commissioner shall pay all or part of the qualifying education loans up to \$20,000 annually for each primary care physician participant that fulfills the required service obligation. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

Subd. 2. [PROCEDURE FOR LOAN REPAYMENT.] Program participants, at the time of signing a contract, shall designate the qualifying loan or loans for which the ~~higher education coordinating board~~ commissioner is to make payments. The participant shall submit to the ~~board commissioner~~ all payment books for the designated loan or loans or all monthly billings for the designated loan or loans within five days of receipt. The ~~board commissioner~~ shall make payments in accordance with the terms and conditions of the designated loans, in an amount not to exceed \$20,000 when annualized. If the amount paid by the ~~board commissioner~~ is less than \$20,000 during a 12-month period, the ~~board commissioner~~ shall pay during the 12th month an additional amount towards a loan or loans designated by the participant, to bring the total paid to \$20,000. The total amount paid by the ~~board commissioner~~ must not exceed the amount of principal and accrued interest of the designated loans.

Sec. 51. Minnesota Statutes 1994, section 144.1491, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OR WAIVER OF OBLIGATION.] Payment or service obligations cancel in the event of a participant's death. The ~~board commissioner~~ may waive or suspend payment or service obligations in case of total and permanent disability or long-term temporary disability lasting for more than two years. The ~~board commissioner~~ shall evaluate all other requests for suspension or waivers on a case-by-case basis.

Sec. 52. Minnesota Statutes 1994, section 298.2214, subdivision 5, is amended to read:

Subd. 5. [~~HECB AND~~ SYSTEM APPROVAL.] A program may not be offered under a contract executed according to this section unless it is approved by the ~~higher education coordinating board and the board of the system offering the program~~.

Sec. 53. Laws 1993, chapter 326, article 12, section 15, subdivision 4, is amended to read:

Subd. 4. [PROFESSIONAL EDUCATION AND LICENSURE.] ~~By March 15, 1994, The~~ center shall convene task forces for professions that work with victims and perpetrators of violence. Task forces must be formed for the following professions: teachers, school

administrators, guidance counselors, law enforcement officers, lawyers, physicians, nurses, psychologists, and social workers. Each task force must include representatives of the licensing agency, higher education systems offering programs in the profession, appropriate professional associations, students or recent graduates, representatives of communities served by the profession, and employers or experienced professionals. The center must establish guidelines for the work of the task forces. Each task force must review current programs, licensing regulations and examinations, and accreditation standards to identify specific needs and plans for ensuring that professionals are adequately prepared and updated on violence and abuse issues.

Sec. 54. Laws 1993, chapter 326, article 12, section 15, subdivision 5, is amended to read:

Subd. 5. [PROGRESS REPORT.] The center shall provide a progress report to the legislature by March 15, 1994 1996.

Sec. 55. Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. State Grants

101,950,000	97,950,000
-------------	------------

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the higher education coordinating board make full grant awards in each year of the biennium.

This appropriation contains money for increasing living allowances for state grants to \$4,115 each year.

~~Beginning in the 1994 1995 academic year, the legislature intends to adopt the private college cap of \$6,814 recommended by the higher education coordinating board and the department of finance, pending alternative recommendations of the financial aid task force.~~

The higher education coordinating board shall meet with the nursing community in order to evaluate consolidating all nursing grant programs administered by the state, and report its findings to the legislature by February 1, 1994.

This appropriation includes \$250,000 each year for grants to nursing programs to recruit persons of color and to provide grants to nursing students who are persons of color. Of this amount, \$100,000 each year is for recruitment and retention of students of color in nursing programs leading to licensure as a registered nurse. Other than the grants to students, all grants shall be matched with at least the same amount from grantee sources for nonstate money.

This appropriation includes money to begin postservice benefit accounts for the youthworks program. By October 1, 1993, the higher education coordinating board, in consultation

with the youthworks task force, shall design a plan to administer the postservice benefit accounts of the youthworks program. The plan shall include strategies to augment the appropriation by maximizing federal and other nonstate money. The board shall report the plan to the education committees of the legislature by October 1, 1993. In the event that federal money becomes available for post-secondary initiatives involving community service, the board may use this money for any state contribution required.

Sec. 56. [INITIAL COUNCIL.]

Notwithstanding section 10, the governor shall appoint the members to the higher education services council by July 1, 1995. One-third of the appointments shall be for two years, one-third for four years, and one-third for six years.

Sec. 57. [TRANSFER OF PROGRAMS.]

The responsibilities of the higher education coordinating board, or its successor, confirmed and specified under Minnesota Statutes, sections 136A.1355 to 136A.1358, are transferred under Minnesota Statutes, section 15.039, to the Minnesota department of health.

Sec. 58. [TRANSFER.]

On July 1, 1995, the higher education coordinating board is abolished and the remaining duties and responsibilities of the board are transferred to the higher education services office as provided in Minnesota Statutes, section 15.039, subdivisions 1 to 6. Positions in the higher education coordinating board are transferred under Minnesota Statutes, section 15.039, subdivision 7, except that the board shall determine the incumbents to be transferred, so long as the number of incumbents transferred is equal to the number of positions sufficient to carry out the duties being transferred.

All obligations related to bond covenants entered into under Minnesota Statutes, sections 136A.15 to 136A.1702 are transferred to the higher education services office under Minnesota Statutes, section 15.039, subdivision 5a.

Sec. 59. [INSTRUCTION TO REVISOR.]

Subdivision 1. [RENUMBERING.] In the next edition of Minnesota Statutes, the revisor of statutes shall renumber each section specified in column A with the number set forth in column B. The revisor shall make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>136A.80</u>	<u>135A.51</u>
<u>136A.81</u>	<u>135A.52</u>

Subd. 2. [NAME CHANGE.] The revisor of statutes is directed to change the term "higher education coordinating board," and similar terms, to "higher education services office," or similar terms. The revisor must work with the house and senate staff in making the changes. The change must be made in the next edition of Minnesota Statutes and Minnesota Rules.

Subd. 3. [TRANSFER OF DUTIES.] In the next and subsequent editions of Minnesota Statutes, the revisor shall change the term "board" to "commissioner" in Minnesota Statutes, sections 136A.1355 to 136A.1358.

Sec. 60. [REPEALER.]

Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08, subdivision 3; 135A.09; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.85; 136A.86; 136A.88; 136D.77; 136D.81, subdivision 2; 144.1488, subdivision 2; and 148.236; and Laws 1993, chapter 326, article 12, section 15, subdivision 2, are repealed.

ARTICLE 4

MERGER

Section 1. Minnesota Statutes 1994, section 3.9741, subdivision 2, is amended to read:

Subd. 2. [POST-SECONDARY EDUCATION BOARD.] The legislative auditor may enter into an interagency agreement with the ~~community college board, state university board, or the state board of technical~~ board of trustees of the Minnesota state colleges and universities to conduct financial audits, in addition to audits conducted under section 3.972, subdivision 2. All payments received for audits requested by the board shall be paid to the legislative auditor's account and need not be deposited in the general fund.

Sec. 2. Minnesota Statutes 1994, section 15.38, subdivision 3, is amended to read:

Subd. 3. [MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The ~~state university~~ board of trustees of the Minnesota state colleges and universities may purchase insurance coverage as it deems necessary and appropriate to protect buildings and contents and for activities ancillary to the programs of the state colleges and universities.

DEFINITIONS

Sec. 3. [136F.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of this chapter, the following terms have the meanings given them.

Subd. 2. [BOARD OR BOARD OF TRUSTEES.] "Board" or "board of trustees" means the board of trustees of the Minnesota state colleges and universities.

Subd. 3. [CHANCELLOR.] "Chancellor" means the chancellor of the Minnesota state colleges and universities.

Subd. 4. [STATE COLLEGES AND UNIVERSITIES.] "State colleges and universities" means Minnesota state colleges and universities governed by the board of trustees.

Subd. 5. [STUDENT ACTIVITIES.] "Student activities" means lectures, concerts, and other functions contributing to the mental, moral, and cultural development of the student body and community in which they live, athletic activities, including intercollegiate contests, forensics, dramatics, and such other activities of any nature as in the opinion of the board contribute to the educational, cultural, or physical well being of the student body.

Sec. 4. [PRINCIPLES.]

Subdivision 1. [FINDINGS; INTENT.] In merging the state universities, community colleges, and technical colleges, the legislature intends to seek ways to preserve access to quality post-secondary education in Minnesota, to enhance the choices of students who attend public colleges and universities, to improve accountability, and to provide cost-effective programs.

Subd. 2. [BOARD.] It is the role of the board to govern the institutions for which it is responsible through policy and decision making that are necessary to ensure that needs of the state and the ability of institutions to provide education are met. Further, it is the role of the board to ensure that the institutions are well managed and that the state's investment is enhanced by choosing a chancellor, presidents, and other employees who will provide leadership to the system, college, or university, and by holding them accountable. Finally, it is the role of the board to balance the competing needs of the colleges and universities, determine the priorities among those needs, and coordinate institutional actions to ensure that the state's interests are well served, while preserving and enhancing the local identities and initiatives of the colleges and universities.

Subd. 3. [SYSTEM OFFICE.] It is the role of the chancellor and the system office to provide general management of the colleges and universities necessary to protect the state's investment, particularly in the areas of financial accountability and programmatic offerings. It is the further role of the system office to carry out the policies of the board while providing information and advice on development of those policies. Finally, it is the role of the system office to provide the

leadership and services the campuses need to provide quality education in an efficient manner and to hold the campuses accountable for their actions.

Subd. 4. [COLLEGES AND UNIVERSITIES.] It is the role of the colleges and universities to provide quality education and services to meet the needs of students and of the state. In so doing, it is the role of the colleges and universities to provide the day-to-day management and decision making that affect the education they deliver. It is the role of the college and university presidents to provide leadership on the campuses, while promoting a collegial environment that involves faculty, staff, and students in decision making.

Subd. 5. [BOARD ACTION.] In accordance with the principles in section 136F.011, the board shall review the proposed structure of the system office with the objective of further reducing or eliminating those functions that are unnecessary. Savings that occur shall be redirected to support instruction on the campuses.

BOARD OF TRUSTEES

Sec. 5. Minnesota Statutes 1994, section 136E.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] ~~The higher education board, referred to in sections 136E.01 to 136E.05 as "the board,"~~ consists of 15 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. Three members must be students who are enrolled at least half-time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.

Sec. 6. Minnesota Statutes 1994, section 136E.02, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] ~~A higher education candidate advisory council for the board candidate advisory council of trustees of the Minnesota state colleges and universities shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the higher education board.~~

Sec. 7. Minnesota Statutes 1994, section 136E.02, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the ~~higher education~~ board and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

Sec. 8. Minnesota Statutes 1994, section 136E.02, subdivision 4, is amended to read:

Subd. 4. [RECOMMENDATIONS.] The advisory council shall recommend at least two and not more than four candidates for each seat. ~~By January 2 April 15 of each even-numbered year,~~ the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Sec. 9. Minnesota Statutes 1994, section 136E.021, subdivision 2, is amended to read:

Subd. 2. [CRITERIA.] After consulting with the ~~higher education~~ board of trustees candidate advisory council, the student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Sec. 10. Minnesota Statutes 1994, section 136E.04, subdivision 1, is amended to read:

Subdivision 1. [GENERAL AUTHORITY.] The board shall ~~manage, supervise, and control~~ possess all powers necessary to govern the ~~technical state colleges, community colleges, and state~~

universities and all related property. ~~It~~ Those powers shall include, but are not limited to, those enumerated in this section. The board shall prescribe courses of study and conditions of admission, ~~prepare and confer diplomas~~ set tuition and fees, prescribe requirements for completion of programs, approve the awarding of appropriate certificates, diplomas, and degrees, and adopt suitable policies for the institutions it ~~manages~~ governs. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 11. Minnesota Statutes 1994, section 136E.04, is amended by adding a subdivision to read:

Subd. 1b. [GOVERNANCE AUTHORITY.] The board shall have the authority needed to operate and govern the state colleges and universities unless otherwise directed or limited by law.

Sec. 12. Minnesota Statutes 1994, section 136E.04, is amended by adding a subdivision to read:

Subd. 4a. [OFFICE LOCATION.] Notwithstanding chapter 16B, the board may select the location for its central office.

Sec. 13. [136E.041] [CHANCELLOR.]

The board shall appoint a chancellor who shall serve in the unclassified service. The chancellor shall possess powers and perform duties as delegated by the board. The board shall set the salary of the chancellor according to section 15A.081, subdivision 7b.

DESIGNATION

Sec. 14. [136F.10] [DESIGNATION.]

The following are designated as the Minnesota state colleges and universities: the community colleges located at Austin, Bloomington, Brainerd, Brooklyn Park, Cloquet, Coon Rapids, Ely, Fergus Falls, Grand Rapids, Hibbing, International Falls, Inver Grove Heights, Minneapolis, Rochester, Thief River Falls, Virginia, White Bear Lake, Willmar, and Worthington; the community college centers located at Cambridge and Duluth; the state universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud, Winona, and the Twin Cities metropolitan area; and the technical colleges located at Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault, Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul, Staples, Thief River Falls, Wadena, Willmar, and Winona.

Sec. 15. [136F.12] [FOND DU LAC CAMPUS.]

The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college. By July 1, 1995, the board of trustees and the board of directors of Fond du Lac tribal college shall implement the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions. The mechanisms shall supersede any previous arrangement, agreement, or memorandum of understanding.

Sec. 16. [136F.14] [CAMPUS MERGER OR REORGANIZATION.]

The board may merge or reorganize campuses or centers for the purpose of increased efficiency, use of personnel, placement of programs, student access, and other needs as determined by the board. The board shall report its action to the legislature.

Sec. 17. [136F.16] [CAMPUS ESTABLISHMENT.]

Subdivision 1. [NEW STATE COLLEGES AND UNIVERSITIES.] A new state college or university shall be established only by specific legislation. For the purposes of this subdivision, campuses or centers that are merged or reorganized under section 136F.14 are not new state colleges or universities.

Subd. 2. [CAMPUS OR CENTER SITE.] The board may determine the exact location and site for each campus or center.

Subd. 3. [OFF-CAMPUS SITES.] The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

Sec. 18. [136F.18] [CAMPUS CLOSING.]

The board may close a campus or center under its jurisdiction. Prior to closing a campus or center, the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.

STUDENTS

Sec. 19. [136F.21] [STUDENT HEALTH.]

Subdivision 1. [HEALTH SERVICE.] The board shall offer health services for students at each state university and may offer health services for students at each state college. The health services may be offered either on campus or in the nearby community. The board may charge each student a health service fee set by the board. The fees shall be used to maintain the health service and equip and construct facilities. The fee may be used to contract for health, medical, and hospitalization insurance for students. The fees shall be deposited in an activity fund and are annually appropriated to the board for the purposes of this subdivision. Each state college and university shall provide an annual financial accounting of the health service money to the board.

Subd. 2. [HEALTH BENEFITS.] The board may contract for hospital benefits coverage and medical benefits coverage for students in the state colleges and universities in the same manner as authorized by section 43A.23 for state employees.

Sec. 20. Minnesota Statutes 1994, section 136E.525, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE.] The board shall recognize one statewide student association for the community colleges, one for the state universities, and one for the technical colleges. Each statewide campus student association shall be affiliated with its campus statewide student associations but association and all students enrolled on those campuses shall be members of their respective statewide association.

Sec. 21. Minnesota Statutes 1994, section 136E.525, subdivision 2, is amended to read:

Subd. 2. [FEES.] Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each community state college, state university, and technical college and shall be credited to each association's account to be spent as determined by that association.

Sec. 22. [136F.22] [STUDENT ASSOCIATIONS; PURCHASING AUTHORITY.]

Notwithstanding chapter 16A or 16B, the student associations recognized by the board of trustees of the Minnesota state colleges and universities may purchase goods or materials through state purchasing authority for the ordinary day-to-day operations of the associations. The student associations must be nonprofit 501(c)(3) organizations in order to qualify for this authority. The department of administration may require that the purchase documents be approved by appropriate officials in the board's central office.

Sec. 23. [136F.24] [LEGAL COUNSELING AND SERVICE PROGRAM; FUNDING.]

Notwithstanding section 8.06, or any other law or rule to the contrary, the official campus student association at each state college or university may fund a program to provide legal counseling and services to students of the state college or university. The money shall be from an

account of the state college and university activity funds allocated to the student associations or other money assigned to them.

Sec. 24. [136F.25] [ABSENCE FOR CHEMICAL ABUSE TREATMENT.]

If a student is absent from a state college or university to participate in a chemical abuse treatment program licensed by the state, the student, upon request, shall remain on the roll in the educational program of the state college or university in which the student is enrolled, according to policies adopted by the board.

Sec. 25. [136F.28] [SOUTHWEST ASIA VETERANS; TECHNICAL COLLEGES.]

Subdivision 1. [GRANTS.] A Southwest Asia veteran who enrolls in a technical college program, and who is a Minnesota resident whose entire education has not included completion of at least one technical college program is eligible for a state grant of \$500 per year if the veteran has GI Montgomery bill benefits, or \$1,000 per year if the veteran does not have GI Montgomery bill benefits, until the veteran has completed the lesser of (1) 115 credits in a technical college program, or (2) one technical college program. The grant is based on full-time attendance and shall be prorated if the student is attending less than full time. To be eligible for the tuition relief, a veteran who is discharged before July 1, 1993, must enroll in a technical college by July 1, 1995, and a veteran who is discharged on or after July 1, 1993, must enroll in a technical college within two years of the date of discharge. All veterans enrolled under this program must maintain a minimum of six credits per quarter. Total grants may not exceed the available appropriation.

Subd. 2. [DEFINITIONS.] For the purpose of this section, "Southwest Asia veteran" means a person who:

(1) served in the active military service in any branch of the armed forces of the United States any time between August 1, 1990 and February 27, 1992;

(2) became eligible for the Southwest Asia Service Medal as a result of the service;

(3) was a Minnesota resident at the time of induction into the armed forces and for the one year immediately preceding induction; and

(4) has been separated or discharged from active military service under conditions other than dishonorable.

CURRICULUM

Sec. 26. [136F.30] [COURSES AND PROGRAMS.]

The board shall prescribe the courses of study, including graduate and undergraduate academic programs, training in professional, semiprofessional, and technical fields, and adult education. The board shall avoid duplicate program offerings. The board shall place a high priority on ensuring the transferability of credit.

Sec. 27. [136F.32] [DEGREES; DIPLOMAS; CERTIFICATES.]

The board may approve awarding of appropriate certificates, diplomas, or degrees to persons who complete a prescribed curriculum.

Sec. 28. [136F.36] [TECHNICAL COLLEGE CARPENTRY PROGRAM CONSTRUCTION AUTHORITY.]

Subdivision 1. [AUTHORITY TO ACQUIRE, DEVELOP, AND SELL REAL PROPERTY FOR INSTRUCTIONAL PURPOSES.] For the purpose of instructional construction by technical colleges, the board may purchase or otherwise acquire real property that it does not intend to use as a permanent educational site. The board may, upon the terms and conditions it sets, develop and sell real property acquired under this section. Sale shall be for fair market value. Where real property acquired under this section cannot be sold for fair market value, the board may lease the real property under the terms and conditions it sets. The board may also contract for the use of real property it does not own. Where the board makes improvements to real property it does not own, the landowner shall compensate the board for the fair market value of the board's contribution to

the improvements. No other authorizing legislation or legislative approval is required for an acquisition, improvement, or sale under this section. Proceeds from the sale, lease, or improvement of real property under this section are appropriated to the board.

Subd. 2. [EXEMPTIONS.] The sale requirements of chapters 92 and 94 do not apply to this section, nor do the leasing provisions of section 16B.24, nor do the construction supervision and control provisions of sections 16B.30 to 16B.335. The board will normally competitively bid contracts related to instructional construction but, notwithstanding the provisions of sections 16B.07 to 16B.09, may negotiate contracts without competitive bidding where it deems appropriate.

Subd. 3. [WARRANTIES.] The board may, in its discretion, offer the warranties contained in chapter 327A.

HUMAN RESOURCES

Sec. 29. [136F.40] [APPOINTMENT OF PERSONNEL.]

The board shall appoint all presidents, teachers, and other necessary employees and shall prescribe their duties consistent with chapter 43A. Salaries and benefits of employees must be determined according to chapters 43A and 179A.

Sec. 30. Minnesota Statutes 1994, section 136E.31, is amended to read:

136E.31 [ASSIGNMENT TO BARGAINING UNITS.]

Actions by the higher education board to merge or redesignate institutions or to promote collaborative efforts between institutions must not unilaterally change faculty assignments to bargaining units provided in section 179A.10, subdivision 2.

Sec. 31. [136F.42] [EXTENDED LEAVES OF ABSENCE.]

Subdivision 1. [DEFINITION.] As used in this section, "teacher" means a person on the instructional or administrative staff of the state colleges and universities who is a member of the teachers retirement association under chapter 354 or who is covered by the unclassified employees plan under chapter 352D or individual retirement account plan under chapter 354B. It shall not include a chancellor, deputy chancellor, or vice-chancellor.

Subd. 2. [GRANTING AUTHORITY.] The board may grant an extended leave of absence without salary to a full-time teacher who has been employed by the board for at least five years and has at least ten years of allowable service as defined in section 354.05, subdivision 13. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence under this section shall be taken by mutual consent of the board and the teacher. No teacher may receive more than one leave of absence under this section.

Subd. 3. [REINSTATEMENT.] A teacher on an extended leave of absence under this section shall have the right to be reinstated to the same position or a similar position within the department or program from which the leave was granted at the beginning of the school year which immediately follows a year of extended leave of absence, unless the teacher is discharged or placed on retrenchment or on layoff or the teacher's contract is terminated while the teacher is on the extended leave. The board shall not be obligated to reinstate a teacher who is on an extended leave of absence under this section unless the teacher advises the board of an intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return.

Subd. 4. [SENIORITY RIGHTS.] A teacher who is reinstated to the same or similar position after an extended leave under this section shall not lose tenure or credit for previous seniority in the employing state college or university. A teacher shall not accrue seniority credit during the time of a leave of absence under this section, except that a teacher at a state college or university may accrue seniority credit during the leave, consistent with the conditions of the collective bargaining agreement.

Subd. 5. [SALARY.] The years spent by a teacher on an extended leave of absence under this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board. The credits earned by a teacher on an extended leave of absence under this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board for a period of time equal to the time of the extended leave of absence.

Subd. 6. [ALTERNATE LEAVE.] The board may grant a teacher a leave of absence which is not subject to the provisions of this section and section 354.094.

Sec. 32. [136F.43] [ANNUITIES.]

Subdivision 1. [PURCHASE.] At the request of an employee, the board may negotiate and purchase an individual annuity contract for an employee for retirement or other purposes from a company licensed to do business in Minnesota, and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under the contract. The allocation shall be made in a manner that will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own the contract and the employee's rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. [DEPOSITS; PAYMENT.] All amounts so allocated shall be deposited in an annuity account established by the board. Payment of annuity premiums shall be made when due or in accordance with the salary agreement entered into between the employee and the board. The money in the annuity account is not subject to the budget, allotment, and incumbrance system provided for in chapter 16A.

Sec. 33. [136F.44] [NONPROFIT FOUNDATION PAYROLL DEDUCTION.]

Subdivision 1. [REQUEST; WARRANT.] The commissioner of finance, upon the written request of an employee of the board, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit state college or university foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation. The Penny fellowship of the Minnesota state university student association shall be considered a nonprofit state college and university foundation for purposes of this section.

Subd. 2. [FOUNDATION APPLICATION; APPROVAL.] A nonprofit state college or university foundation that desires to receive contributions through payroll deductions shall apply to the board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

- (1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;
- (2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;
- (3) secures funding solely for distribution to a state college or university or for distribution to students in the form of scholarships; and
- (4) has been incorporated according to chapter 317A for at least one calendar year before the date it applies to the board for approval.

Subd. 3. [SOLICITATION.] Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

Sec. 34. [136F.45] [EMPLOYER-PAID HEALTH INSURANCE.]

(a) This section applies to a person who:

- (1) retires from the state university system, the technical college system, or the community

college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member;

(3) begins drawing an annuity from the teachers retirement association or from the first class cities teachers retirement funds; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

Sec. 35. [136F.495] [LICENSURE.]

The board may adopt policies for licensure of teaching personnel in technical colleges and may establish a processing fee for the issuance, renewal, or extension of a license.

ADMINISTRATION

Sec. 36. [136F.50] [COOPERATION OR PROMOTION OF A STATE COLLEGE OR UNIVERSITY.]

The board may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and other programs and activities in the state colleges and universities as in the judgment of the board contribute to the development of the state colleges and universities and the welfare of their students.

Sec. 37. Minnesota Statutes 1994, section 136E.05, is amended to read:

136E.05 [LOCAL ADVISORY COMMITTEES.]

Subdivision 1. [APPOINTMENT.] The president, with the approval of the chancellor and the board, may appoint a local advisory committee for each campus. Committee members must be qualified people who have knowledge of and interest in the campus. The board shall define the role and authority of the advisory committees and establish procedures for the appointment, terms, and termination of members. The president or an appointee of the president shall regularly meet and consult with the local advisory committee.

Subd. 2. [COMPENSATION.] Advisory committee members shall serve without compensation and without reimbursement for expenses.

Sec. 38. [136F.54] [PARKING AND TRAFFIC REGULATION.]

Subdivision 1. [BOARD POWER.] Notwithstanding section 169.966, the board may authorize a state college or university to adopt and enforce policies, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the state college or university.

Subd. 2. [FINES; FEES.] A state college or university may collect a fine and a towing fee for a violation. Money collected under this section by a state college or university is annually appropriated to the state college or university for parking lot maintenance, improvement, and policy enforcement.

Subd. 3. [DISPUTES.] A state college or university, with the approval of the board, shall establish procedures to resolve a dispute arising from enforcement of a policy.

Subd. 4. [PROCEDURE.] Chapter 14 does not apply to this section.

Subd. 5. [ENFORCEMENT.] Every sheriff, constable, police officer, or other peace officer shall have authority to enforce all policies and ordinances adopted pursuant to this section and shall have authority to arrest and prosecute offenders for violations of law.

Sec. 39. [136F.56] [STUDENT HOUSING MANAGEMENT.]

The board may contract with student housing facility owners or on-site management firms to assist in the operation, control, and management of the facility.

Sec. 40. [136F.58] [STATE COUNCIL ON VOCATIONAL TECHNICAL EDUCATION.]

Subdivision 1. [STATE AGENCY PURPOSE.] The state council on vocational technical education, formerly known as the Minnesota state advisory council for vocational education, is a state agency in the executive branch. Its purpose is to implement section 112 of the Carl D. Perkins Vocational Education Act of 1984, United States Code, title 20, section 2322, and other purposes necessary to improve vocational technical education.

Subd. 2. [MEMBERS; TERMS.] The governor shall appoint the members of the council according to United States Code, title 20, section 2322. Except as otherwise provided by that act, members are governed by section 15.0575.

Subd. 3. [OFFICES.] The commissioner of administration shall provide the council with suitable office space, furnishings, and equipment.

Subd. 4. [FUNDING.] Federal, state, or private money received by the council must be deposited in the state treasury and credited to a special account for the council. The council has sole authority to spend its money. The money may not be diverted or reprogrammed by any agency or person to any other purpose. Unless restricted by federal or other state law, the council may carry forward any unexpended balance from one fiscal year to the next and from one fiscal biennium to the next.

Subd. 5. [SERVICE CONTRACTS.] The council may contract for the services it needs to carry out its function. The council may also contract to provide services to other organizations. The contracts are not subject to the contract approval procedures of the commissioner of administration or of chapter 16B.

Subd. 6. [FISCAL AGENT.] The board shall act as fiscal agent for the council and provide other support services necessary for disbursements, accounting, auditing, and reporting.

Subd. 7. [STAFF.] The council may employ an executive director and other staff needed to carry out its duties. The executive director shall serve in the unclassified service and may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The council may contract with professional, technical, and clerical consultants and interns needed to carry out its functions.

Sec. 41. [136F.591] [BOOKSTORES.]

The board may permit a state college or university to conduct a bookstore in a state college or university building, or may allocate space in a state college or university building and permit a person or corporation to conduct a bookstore therein without rent at the board's pleasure and on such conditions as the board may impose. The board may provide insurance, at no cost to the state, for the inventory of a bookstore a state college or university conducts in its building.

FACILITIES

Sec. 42. [136F.60] [COLLEGE AND UNIVERSITY SITES; ACQUISITION.]

Subdivision 1. [PURCHASE OF NEIGHBORING PROPERTY; STATE UNIVERSITIES.] The board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of a state university. 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 colleges and universities, including, but not limited to, general fund appropriations for instructional or noninstructional expenditures, general fund appropriations carried forward, or state college and university activity fund appropriations. The board may pay relocation costs, at its discretion, when acquiring property.

Subd. 2. [METHODS OF ACQUISITION.] If money has been appropriated to the board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Sec. 43. Minnesota Statutes 1994, section 136E.692, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION; IMPROVEMENTS.] The ~~higher education~~ board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of ~~community college, state university, and technical state college and 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, and accept the improvements when completed according to the plans and specifications.

Sec. 44. Minnesota Statutes 1994, section 136E.692, subdivision 3, is amended to read:

Subd. 3. [DISPUTE RESOLUTION.] In contracting for projects, the ~~higher education~~ board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Sec. 45. [136F.68] [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 136E.692, the board shall consider the documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses, small targeted group businesses, and businesses in economically disadvantaged areas designated under section 16B.19.

Sec. 46. [136F.19] [STATE PROPERTY AGREEMENTS.]

Notwithstanding section 16B.24, the board may enter into an agreement with an intermediate school district for the cooperative use of state property for an initial period of ten years, which may be renewed or extended for additional periods of up to ten years each.

FINANCE

Sec. 47. [136F.70] [TUITION; FEES; ACTIVITIES FUNDS.]

Subdivision 1. [TUITION.] The board shall set rates of tuition for the various instructional programs. The board may waive tuition for certain persons, courses, and programs.

Subd. 2. [FEES.] The board may prescribe fees to be charged students for student unions, state college and university activities, functions, and purposes.

Subd. 3. [REFUNDS.] The board may make refunds to students for tuition, activity fees, union fees, and any other fees from imprest cash funds. The imprest cash fund shall be reimbursed periodically by checks or warrants drawn on the funds and accounts to which the refund should ultimately be charged. The amounts necessary to pay the refunds are appropriated from the funds and accounts to which they are charged.

Sec. 48. [136F.71] [RECEIPTS.]

Subdivision 1. [APPROPRIATION OF RECEIPTS.] All receipts of every kind, nature, and description, including student tuition and fees, all federal receipts, aids, contributions, and reimbursements, but not including receipts attributable to state colleges and universities activity funds, in all the state colleges and universities are appropriated to the board, but are subject to budgetary control to be exercised by the commissioner of finance. The balance in these funds shall not cancel on June 30, but shall be available in the next fiscal year.

Subd. 2. [ACTIVITY FUNDS.] All receipts attributable to the state colleges and universities activity funds and deposited in the state treasury are appropriated to the board and are not subject to budgetary control as exercised by the commissioner of finance.

Sec. 49. [136F.72] [FUNDS.]

Subdivision 1. [ACTIVITY FUNDS.] The board may establish in each state college and university a fund to be known as the activity fund. The purpose of these funds shall be to provide for the administration of state college and university activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The activity funds shall encompass accounts for student activities, student health services authorized college and university agencies, authorized auxiliary enterprises, student loans, gifts and endowments, and other accounts as the board may prescribe.

Subd. 2. [ADMINISTRATIVE FUND AND ACCOUNTS.] The board may establish a fund within the board office for management of employee retirement funds. The board may establish an administrative fund at each state college and university or within the board office for the administration of contracts, student equipment purchases, and receipt and transfer of foreign program money.

Subd. 3. [ADMINISTRATION.] The board, independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the state colleges and universities activity funds and the administrative fund. All activity fund money collected shall be administered under the policies of the board subject to audit of the legislative auditor.

Subd. 4. [IMPREST CASH FUNDS.] The board may establish an imprest cash fund in each of its state colleges and universities.

Sec. 50. [136F.73] [CASH OVER AND SHORT ACCOUNT OF IMPREST CASH FUND.]

The board may establish a cash over and short account within the imprest cash fund for each state college and university. This account shall be used to record on a daily basis overages and shortages of cash receipts. At the end of each fiscal year, the board shall credit or debit the overage or shortage from each state college or university to the board maintenance and equipment appropriation account. In the instance of a debit balance remaining in any cash over and short accounts, the board may transfer from the maintenance and equipment appropriation account moneys sufficient to offset such debit balance. The commissioner of finance shall make the appropriate adjustments and entries on the general books of account of the state.

Sec. 51. [136F.74] [CARRY-OVER AUTHORITY.]

The board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over any unexpended balance into the following biennium. The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Sec. 52. [136F.75] [LITIGATION AWARDS.]

Notwithstanding any law to the contrary, the board may keep money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board must be kept by the board to the credit of the account from which the litigation was originally funded. An award that exceeds the costs incurred in the litigation shall be used by the board for repair or replacement projects.

Sec. 53. [136F.77] [TECHNICAL EQUIPMENT.]

Subdivision 1. [PROPRIETARY PURCHASES.] Notwithstanding the competitive bidding requirements of chapter 16B, technical educational equipment may be purchased for state colleges and universities on request of the board either by brand designation or in accordance with standards and specifications prescribed by the board. The purchase is subject to supervision by the information policy office under section 16B.41.

Subd. 2. [COMPUTER SALES AND SUPPORT.] The board may sell computers and related products to state college and university staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 54. [136F.79] [SOLE STATE AGENCY.]

The board is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The board shall develop and submit the state plan for vocational technical education. The board shall develop the state plan according to terms of agreement with the state board of education.

GRANTS AND GIFTS

Sec. 55. [136F.80] [GRANTS; GIFTS; BEQUESTS; DEVISES; ENDOWMENTS.]

Subdivision 1. [RECEIPT AND ACCEPTANCE.] The board may apply for, receive, and accept on behalf of the state and for the benefit of any state college or university any grant, gift, bequest, devise, or endowment that any person, firm, corporation, foundation, association, or government agency may make to the board for the purposes of the state colleges and universities. The board may use any money given to it or to any of the state colleges and universities consistent with the terms and conditions under which the money was received and for the purposes stated. All moneys received are appropriated to the board for use in the colleges and universities. These moneys shall not be taken into account in determining appropriations or allocations. All taxes and special assessments constituting a lien on any real property received and accepted by the board under this section shall be paid in full before title is transferred to the state.

Subd. 2. [DEPOSIT OF MONEY.] The board shall provide by policy, in accordance with provisions of chapter 118, for the deposit of all money received or referred to under this section. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state.

Sec. 56. Laws 1991, chapter 356, article 9, section 9, as amended by Laws 1994, chapter 532, article 5, section 1, subdivision 1, is amended to read:

Subdivision 1. [TRANSFER OF POWERS; GENERALLY.] The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the ~~higher education board~~ board of trustees of the Minnesota state colleges and universities under Minnesota Statutes, section 15.039.

Effective July 1, 1995, school boards, intermediate school boards, and joint vocational technical boards shall transfer to the ~~higher education board~~ state all real property, personal property, and improvements and attachments thereto related to technical colleges as determined by the ~~higher education board~~, and shall convey all interests in the property. The school boards, intermediate school boards, and joint vocational technical boards shall not receive compensation for the conveyance of the interests. For a school board or a joint vocational technical board, on July 1, 1995, title and ownership of all personal property, real property, and improvements and attachments thereto related to technical colleges as determined by the board of trustees of the Minnesota state colleges and universities shall vest in the state, under the management, supervision, and control of the board of trustees of the Minnesota state colleges and universities. For an intermediate school board, on July 1, 1995, title and ownership of all personal property, real property, and improvements and attachments thereto related to technical colleges as determined by the board of trustees of the Minnesota state colleges and universities and the intermediate school board shall vest in the state, under the management, supervision, and control of the board of trustees of the Minnesota state colleges and universities. If by June 15, 1995, the higher education board and an intermediate school board cannot agree on ownership of personal property, real property, and improvements and attachments thereto, the commissioner of the bureau of mediation services shall appoint a special mediator under Minnesota Statutes, section 179.02, subdivision 2, to settle the dispute. On or after July 1, 1995, a school board or intermediate school board that has transferred property under this subdivision, if requested by the board of trustees of the Minnesota state colleges and universities, shall issue a deed of conveyance or other document appropriate to transfer title or ownership to the state to serve as evidence of transfer of title or ownership. The board of trustees of the Minnesota state colleges and universities as successor in interest to any joint vocational technical board may execute such a deed of conveyance or other appropriate document to the state for that purpose. All debt service payments on the transferred property that have a due date on or after July 1, 1995, become the responsibility of the ~~higher education board~~ of trustees of the Minnesota state colleges and universities.

On July 1, 1995, all other obligations incurred on behalf of a technical college by a school board, a joint vocational district under Minnesota Statutes, section 136C.60, or an intermediate school district under Minnesota Statutes, chapter 136D, which will not be satisfied on or before June 30, 1995, transfer to the ~~higher education board~~ of trustees of the Minnesota state colleges and universities subject to limits identified in state law or in plans or policies of the ~~higher education board~~ of trustees of the Minnesota state colleges and universities subject to legislative approval.

The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

For the purposes of this subdivision "higher education board" is the same entity as "board of trustees of the state colleges and universities."

Sec. 57. Laws 1993, First Special Session chapter 2, article 9, section 1, subdivision 7, is amended to read:

Subd. 7. [EXPIRATION.] This section expires on June 30, 1995 1997.

Sec. 58. Laws 1994, chapter 532, article 6, section 12, is amended to read:

Sec. 12. [REVISOR INSTRUCTION.]

(a) In the 1996 edition of Minnesota Statutes, the revisor shall renumber sections 136.31 as 136E.80; 136.31, subdivision 7, as 136E.80, subdivision 6; 136.32 as 136E.81; 136.33 as 136E.82; 136.34 as 136E.83; 136.35 as 136E.84; 136.36 as 136E.85; 136.37 as 136E.86; 136.38 as 136E.87; 136.41, subdivision 8, as 136E.88, subdivision 1; 136.41, subdivision 9, as 136E.88, subdivision 2; 136.41, subdivision 10, as 136E.88, subdivision 3.

(b) The revisor shall add "Federal Tax on Interest" as a headnote to section 136.41, subdivision 9.

Sec. 59. [TRANSFER OF RETIREMENT FUND MEMBERSHIP FOR TECHNICAL COLLEGE EMPLOYEES; ELECTION TO RETAIN RETIREMENT FUND MEMBERSHIP.]

A person who is employed by a technical college or by the technical college system on June 30, 1995, and who is transferred to state employment shall remain a member of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, unless the person affirmatively elects, in writing, retirement coverage by the general state employees retirement plan of the Minnesota state retirement system. The following provisions govern the election of a transfer or the retention of retirement benefit coverage:

(1) For a person who desires to transfer benefit coverage, the affirmative written election must be made within 120 days of the transfer of the employee to state employment.

(2) On behalf of transferred employees who retain retirement benefit coverage with the pretransfer retirement plan, the board shall make the applicable employer contributions to the public employees retirement association under Minnesota Statutes, section 353.27, subdivisions 3 and 3a, or the same percentage of covered payroll employer contribution to the Minneapolis employees retirement fund that special school district No. 1 is required to make for that school year under Minnesota Statutes, section 422A.101, subdivision 2.

(3) An employee who makes a retirement benefit coverage transfer election under this section may revoke that election at any time within the first six months after the person becomes a state employee. Once an employee revokes the retirement benefit coverage transfer election, the employee may not make another election. If the initial retirement benefit coverage transfer election is revoked, all retirement contributions made by or on behalf of the employee revoking a prior election must be transferred to the applicable retirement plan as though they were erroneous deductions or contributions, plus monthly interest at an annual rate of 8.5 percent, compounded monthly, and the balance remaining between any contribution amount transferred and the amount of contributions that otherwise would have been due are payable in the applicable proportions by the revoking employee and the board, plus monthly interest at an annual rate of 8.5 percent, compounded monthly.

(4) The executive directors of the Minnesota state retirement system, the public employees retirement association, and the Minneapolis employees retirement fund, and the chancellor of the higher education system, shall confer and jointly adopt appropriate procedures for making the retirement benefit coverage transfer elections under this section.

(5) The executive directors of the public employees retirement association, the Minnesota state retirement system, and the Minneapolis employees retirement fund, whichever applies, shall, upon request, provide appropriate benefit counseling to applicable affected employees on the effect of electing retirement benefit coverage by the general state employees retirement plan of the Minnesota state retirement system.

Sec. 60. [INSURANCE TRANSITION.]

This section applies to a technical college employee of a school district, intermediate district, or regional district who becomes a state employee on July 1, 1995. If such an employee had amounts withheld from paychecks issued by the district either before or after June 30, 1995, to cover the costs of insurance benefits for a period after June 30, 1995, the district must refund any such amounts to the employee by September 1, 1995. The district must also transfer any money designated as the employer share of these benefits to the board of trustees of the Minnesota state colleges and universities to be credited toward the employer share of insurance benefits.

Sec. 61. [COLLEGE AND UNIVERSITY ADMINISTRATION.]

By February 15, 1996, the board of trustees shall report to the education committees of the house of representatives and senate on plans to reduce the administrative costs in the state colleges and universities. The plan shall outline the board's goals for administrative cost reductions at both the system office and the colleges and universities, efforts to promote collaboration among institutions, increases in productivity for administrators, faculty, staff, and students, and measures to reduce overlap and duplication in programs.

Sec. 62. [ELIMINATING STATUTES; BOARD RECOMMENDATIONS.]

By January 1, 1996, the board of trustees of the Minnesota state colleges and universities and

the board of regents of the University of Minnesota shall provide the education committees of the legislature with recommendations to reduce the number of statutory sections relating to higher education, including, but not limited to, recommendations regarding statutory sections that could be incorporated in board policies or procedures, and regarding statutory sections that are obsolete.

Sec. 63. [EARLY SEPARATION INCENTIVES.]

Subdivision 1. [EMPLOYER PARTICIPATION; HIGHER EDUCATION AGENCIES.] (a) In order to minimize the disruptive effects of layoffs or reorganization attributable to the merger of the state universities, community colleges, and technical colleges, and the restructuring of the higher education coordinating board, employees of the higher education coordinating board, the state university, community college, and technical college systems, and employees of local school districts, joint technical districts, and intermediate districts assigned to a technical college position, who are employed in positions that are to be eliminated in the merger and restructuring, as certified by the chancellor of the higher education board or the executive director of the higher education coordinating board, are entitled to elect an early separation incentive set forth in subdivision 3.

(b) The higher education board and the higher education coordinating board must determine those specific positions to be permanently eliminated as part of the merger or restructuring and identify the employees who may elect one of the early separation incentives established by this section.

(c) For the purposes of this section "higher education board" is the same entity as "board of trustees of the state colleges and universities" and the higher education coordinating board is the same entity as the "higher education services office."

Subd. 2. [ELIGIBILITY.] A person employed by the employing units identified in subdivision 1 is eligible to elect the incentive if the person:

(1) is an employee of the higher education coordinating board, a state university, community college, or technical college, or an administrative employee of a local school district, joint technical district and intermediate district assigned to a technical college position whose position is to be eliminated;

(2) is at least age 55 but is not yet age 65;

(3) is employed in a permanent position and in active work status at the time the incentive is elected;

(4) upon retirement, termination, or separation is immediately eligible for a retirement annuity from a defined benefit Minnesota public employee pension plan or a distribution from a defined contribution Minnesota public employee pension plan;

(5) retires, separates, or is terminated from an eligible position after June 30, 1994, but before July 1, 1996; and

(6) has been certified by the chancellor of the higher education board or the executive director of the higher education coordinating board as eligible to elect an early separation incentive.

Notwithstanding anything in this subdivision, the executive director of the higher education coordinating board, or the chancellor of the higher education board may certify any employee, regardless of age, as eligible to elect the six-month retraining leave described in subdivision 3, paragraph (d).

Subd. 3. [INCENTIVES.] (a) Eligible employees may elect one of the following incentives but may not elect both.

(b) Retirement under this section means permanent separation or termination from employment with or under the control of the higher education board, the higher education coordinating board, or the higher education systems to be merged.

(c) Employees who separate, terminate, or retire with the early retirement incentive under

paragraph (e) may not be rehired by the state in any employment position under the control of the higher education board or the higher education coordinating board.

(d) An eligible employee who receives a termination notice after July 1, 1994, may elect to take a six-month retraining leave in order to complete a course of study that is approved by the higher education board or the higher education coordinating board and which is designed to prepare the employee to assume a faculty position at a state university, community college, or technical college. The retraining leave must be at the full salary level that the person received immediately before the termination notice, including fringe benefits. The leave must be completed no later than June 30, 1996. Employees who seek to return to teaching must satisfy the qualifications established by applicable collective bargaining agreements. Any subsequent faculty appointments must be in accordance with collective bargaining agreements and policies of the higher education board. The individual's pretermination notice employment ceases at the conclusion of the retraining leave. Individual employee eligibility for severance payments must be made in accordance with the policies of the employing unit in effect at the time the incentive was elected. Notice of election of this incentive must be made before April 1, 1996, on forms prescribed by the higher education board.

(e) An eligible employee may elect the following instead of the incentive in paragraph (d):

(1) state-paid hospital, medical, and dental insurance to age 65. An employee who retires, is terminated, or is separated is eligible for single or dependent insurance coverages, whichever applies, and any employer payments to which the person was entitled immediately before retirement, termination, or separation subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans in positions equivalent to the position from which the employee retired, terminated, or separated. The employee is not eligible for employer-paid life insurance. If the employee is not yet age 65 at the time of retirement or separation, the employee is eligible for employer-paid insurance under the provisions of a personnel plan and has at least as many months service with the current employer and as the number of months the individual is under age 65 at the time of retirement; and

(2) if the eligible employee has at least 15 years of combined service credit in a Minnesota public pension plan, a one-time opportunity to purchase up to two years of service credit in or to make not more than two years of additional member contributions to the public pension plan that the employee is a member of at the time of retirement or separation as follows:

(i) Eligible employees may have the additional payment made on the basis of the employee's base salary in the year of separation as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies. The employee payment must include interest at the rate of 8.5 percent. The employer shall make the required employer contribution and employer additional contribution to the retirement fund as specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies for an employee who elects this option. Both the required employee and employer payments must be made to the fund before the employee's date of retirement or separation, whichever is earlier.

(ii) Defined contribution plan members in plans established by chapter 352D or 354B must have additional employee and employer contributions made on the basis of the employee's base salary in the year of retirement as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352D.04, subdivision 2, or 354B.04, as applicable. The additional contributions must be made before the employee's date of retirement or separation, whichever is earlier.

Subd. 4. [PROFESSIONAL CONTRACTS; SELF LOAN PROGRAM.] Notwithstanding anything in this section, employees eligible for early separation incentives under this section may be employed under a professional, technical contract to provide technical assistance relating to the student educational loan fund (SELF) program, or to the statewide database, not to exceed 1,044 hours in any consecutive 12-month period.

Sec. 64. [REVISOR INSTRUCTION.]

(a) In the next and subsequent editions of Minnesota Statutes, the revisor shall renumber each section in column A with the corresponding number in column B.

COLUMN A

136.015
136.017
136.31
136.31, subd. 7
136.32
136.33
136.34
136.35
136.36
136.37
136.38
136.41, subd. 8
136.41, subd. 9
136.41, subd. 10
136E.01
136E.02
136E.021
136E.03
136E.04, subd. 1
136E.04, subd. 8
136E.05
136E.31
136E.525
136E.692

COLUMN B

136F.015
136F.017
136F.90
136F.90, subd. 6
136F.91
136F.92
136F.93
136F.94
136F.95
136F.96
136F.97
136F.98, subd. 1
136F.98, subd. 2
136F.98, subd. 3
136F.02
136F.03
136F.04
136F.05
136F.06
136F.47
136F.52
136F.41
136F.22
136F.66

(b) In the next and subsequent editions of Minnesota Statutes, the revisor shall correct all cross-references to sections renumbered, recodified, or repealed in sections 1 to 65.

(c) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the term "higher education board," and similar terms to "board of trustees of the Minnesota state colleges and universities," or similar terms.

Sec. 65. [REPEALER.]

Minnesota Statutes 1994, sections 15.38, subdivision 4; 136.01; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136E.04, subdivisions 2, 3, 4, 5, 6, and 7; 136E.395; and 136E.692, subdivision 4, are repealed.

Sec. 66. [EFFECTIVE DATE.]

Sections 56 and 63 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation,

with certain conditions; modifying appropriations for instructional services; permitting an admission fee waiver; modifying participation in post-secondary enrollment options; requiring and requesting a semester system and a common calendar; creating definitions and actions during financial emergencies; establishing a nursing grant program; regulating student association changes; requiring administrative interaction with students; requiring certain communication through an exclusive representative; modifying use of education institution data; extending the repeal of the farmer-lender mediation act; extending time for POST board funding change; assigning duties to the library and information services task force; establishing electronic credit tracking; setting goals for compensation plans and labor agreements; requiring review of the Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; requiring sabbatical policies; abolishing the higher education coordinating board and transferring certain duties; creating the higher education services office and the higher education services council; prescribing changes in certain financial assistance programs; consolidating and restructuring certain higher education statutes to reflect the merger of the community colleges, state universities, and technical colleges; amending Minnesota Statutes 1994, sections 3.9741, subdivision 2; 15.38, subdivision 3; 126.56; 126.663, subdivision 3; 135A.031, subdivision 2; 135A.08, subdivisions 1 and 2; 135A.10, subdivision 1; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136A.01; 136A.03; 136A.043; 136A.05, subdivision 1; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 8, and 10; 136A.121, subdivisions 5, 6, 9, 16, and by adding a subdivision; 136A.125, subdivisions 4 and 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.69; 136A.81, subdivision 1; 136E.01, subdivision 1; 136E.02, subdivisions 1, 3, and 4; 136E.021, subdivision 2; 136E.04, subdivision 1, and by adding subdivisions; 136E.05; 136E.31; 136E.525, subdivisions 1, 2, and 3; 136E.692, subdivisions 1 and 3; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 179A.07, subdivision 4; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1991, chapter 356, article 9, section 9, as amended; Laws 1993, chapter 326, article 12, section 15, subdivisions 4 and 5; Laws 1993, First Special Session chapter 2, articles 1, section 2, subdivision 3, and section 9, subdivision 6; and 9, section 1, subdivision 7; Laws 1994, chapter 532, article 6, section 12; and Laws 1994, chapter 643, section 69, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; proposing coding for new law as Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 1994, sections 15.38, subdivision 4; 135A.052, subdivisions 2 and 3; 135A.08, subdivision 3; 135A.09; 135A.11; 135A.12, subdivision 5; 136.01; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.88; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136D.77; 136D.81, subdivision 2; 136E.04, subdivisions 2, 3, 4, 5, 6, and 7; 136E.395; 136E.692, subdivision 4; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; and Laws 1993, chapter 326, article 12, section 15, subdivision 2."

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

House Conferees: (Signed) Anthony G. "Tony" Kinkel, Becky Kelso, Gene Pelowski, Jr., Steve Dehler, Peggy Leppik

Senate Conferees: (Signed) LeRoy A. Stumpf, Leonard R. Price, Cal Larson, Roy W. Terwilliger, Deanna Wiener

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1856 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. 1856 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 67 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 1:45 p.m. The motion prevailed.

The hour of 1:45 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, Reports of Committees and Second Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 801: A bill for an act relating to health; recodifying and modifying provisions relating to lead abatement law; amending Minnesota Statutes 1994, sections 16B.61, subdivision 3; 116.87, subdivision 2; 144.99, subdivision 1; 268.92, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, and by adding a subdivision; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 115C.082, subdivision 2;

144.871; 144.872; 144.873; 144.874; 144.876; 144.877; 144.8771; 144.878; 144.8781; 144.8782; and 144.879.

Senate File No. 801 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 801 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 801 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.E.	Langseth	Novak	Samuelson
Berg	Johnson, J.B.	Lesewski	Oliver	Scheevel
Berglin	Johnston	Lessard	Olson	Solon
Betzold	Kelly	Limmer	Ourada	Spear
Chandler	Kiscaden	Marty	Pariseau	Terwilliger
Chmielewski	Kleis	Merriam	Piper	Vickerman
Cohen	Knutson	Metzen	Price	Wiener
Day	Kramer	Moe, R.D.	Ranum	
Frederickson	Krentz	Mondale	Robertson	
Hanson	Kroening	Morse	Runbeck	
Janezich	Laidig	Murphy	Sams	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 462: A bill for an act relating to the environment; implementing the transfer of solid waste management duties of the metropolitan council to the office of environmental assistance; providing for the management of waste; providing penalties; amending Minnesota Statutes 1992, section 115A.33, as reenacted; Minnesota Statutes 1994, sections 8.31, subdivision 1; 16B.122, subdivision 3; 115.071, subdivision 1; 115A.055; 115A.07, subdivision 3; 115A.072, subdivisions 1, 3, and 4; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 9; 115A.191, subdivisions 1 and 2; 115A.32; 115A.411; 115A.42; 115A.45; 115A.46, subdivisions 1 and 5; 115A.55, by adding a subdivision; 115A.5501, subdivisions 2, 3, and 4; 115A.5502; 115A.551, subdivisions 2a, 4, 5, 6, and 7; 115A.554; 115A.557, subdivisions 3 and 4; 115A.558; 115A.63, subdivision 3; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.923, subdivision 1; 115A.9302, subdivisions 1 and 2; 115A.951, subdivision 4; 115A.96, subdivision 2; 115A.965, subdivision 1; 115A.9651, subdivision 3; 115A.97, subdivisions 5 and 6; 115A.981, subdivision 3; 116.07, subdivisions 4a and 4j; 116.072; 116.66, subdivisions 2 and 4; 116.92, subdivision 4; 400.16; 400.161; 473.149, subdivisions 1, 2d, 2e, 3, 4, and 6; 473.151; 473.516, subdivision 2; 473.801, subdivision 1, and by adding subdivisions; 473.8011; 473.803, subdivisions 1, 1c, 2, 2a, 3, 4, and 5; 473.804; 473.811, subdivisions 1, 4a, 5, 5c, 7, and 8; 473.813, subdivision 2; 473.823, subdivisions 3, 5, and 6; 473.843, subdivision 1; 473.844, subdivisions 1a and 4; 473.8441, subdivisions 2, 4, and 5; 473.845, subdivision 4; 473.846; and 473.848, subdivisions 2 and 4; Laws 1994, chapters 585, section 51; and 628, article 3, section

209; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 116; 325E; and 480; repealing Minnesota Statutes 1994, sections 115A.81, subdivision 3; 115A.90, subdivision 3; 116.94; 383D.71, subdivision 2; 473.149, subdivisions 2, 2a, 2c, 2f, and 5; 473.181, subdivision 4; and 473.803, subdivisions 1b and 1e.

Senate File No. 462 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

Ms. Johnson, J.B. moved that the Senate do not concur in the amendments by the House to S.F. No. 462, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 188, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 188: A bill for an act relating to appropriations; permitting use of appropriation to relocate athletic fields and facilities at Brainerd Technical College; authorizing additional design and construction of space at certain community college campuses; requiring plans to provide for joint use of space with certain technical colleges and state universities; authorizing additional construction using nonstate resources; amending Laws 1992, chapter 558, section 2, subdivision 3; and Laws 1994, chapter 643, section 11, subdivisions 6, 8, 10, and 11.

Senate File No. 188 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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

S.F. No. 381: A bill for an act relating to the military; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; and 193.148.

Senate File No. 381 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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

S.F. No. 734: A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; and 403.04.

Senate File No. 734 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1019: A bill for an act relating to metropolitan government; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; providing for certain revenue sharing; regulating employee layoffs by the metropolitan mosquito control district; authorizing an economic vitality and housing initiative; amending Minnesota Statutes 1994, sections 116J.552, subdivision 2; 116J.555, subdivision 2; 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.711, subdivision 2; and 473F.08, subdivisions 3a, 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35.

There has been appointed as such committee on the part of the House:

Long, Kelley, Marko, Rhodes and Abrams.

Senate File No. 1019 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 127: A bill for an act relating to state lands; authorizing the conveyance of certain tax-forfeited land that borders public water or natural wetlands in Hennepin county.

There has been appointed as such committee on the part of the House:

Paulsen, Luther and Rukavina.

Senate File No. 127 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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

House File No. 479 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 479

A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 84.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20.

May 16, 1995

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. 479, 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. 479 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ADDITIONS TO, DELETIONS FROM, AND DESIGNATION OF NEW STATE PARKS.]

Subdivision 1. [85.012] [Subd. 19.] [FORESTVILLE STATE PARK, FILLMORE COUNTY.]

(a) The following areas are added to Forestville state park:

The Northwest Quarter; the West Half of the Southwest Quarter; and the Northeast Quarter of the Southwest Quarter EXCEPT the Southwest Quarter of the Northeast Quarter of the Southwest Quarter, Section 25, Township 102 North, Range 12 West; and

That part of the Northeast Quarter of Section 7, Township 102 North, Range 11 West, lying south of the Root River and west of an unnamed stream which traverses the east line of the Southeast Quarter of said Section 7 and intersects the south line of said Northeast Quarter of the Northeast Quarter of said Section 7 and meanders in a northerly direction through the easterly half of said Northeast Quarter of the Northeast Quarter of said Section 7 to its confluence with the Root River, Fillmore county, Minnesota.

These areas are presently administered by the commissioner of natural resources as a part of the Dorer memorial state forest. Notwithstanding Minnesota Statutes, section 97A.085, these areas are not game refuges and the commissioner may not establish any special seasons or other restrictions on hunting in the areas based on their status as part of a state park. Within these areas, the following described land must be managed primarily for public trout fishing and trout fishing management by fisheries managers of the division of fish and wildlife: In that portion of Section 25, Township 102 North, Range 12 West, added to the park by this subdivision, a strip of land 264 feet in width lying 132 feet on each side of the center line of the stream located on, and flowing through, the land. The fisheries management activities that may be engaged in include, but are not limited to, fisheries habitat improvement, both instream and on adjacent land, together with necessary access to the stream and adjacent land.

(b) The following area is deleted from Forestville state park: That part of the Southeast quarter of Section 7, Township 102 North, Range 11 West, Fillmore county, lying east of a line 33 feet east of the ordinary high water mark of an unnamed tributary of the south branch of the Root River, containing approximately 5.5 acres, more or less. The commissioner may sell this tract to the adjacent landowner at the appraised price.

Subd. 2. [85.012] [Subd. 25.] [GOOSEBERRY FALLS STATE PARK, LAKE COUNTY.] The following area is added to Gooseberry Falls state park: Government Lot 3, Section 23, Township 54 North, Range 9 West, Lake county, Minnesota.

Subd. 3. [85.012] [Subd. 30a.] [JOHN A. LATSCH STATE PARK.] John A. Latsch state park, Winona county, which is hereby renamed from John A. Latsch state wayside.

Subd. 4. [85.012] [Subd. 60.] [WILLIAM O'BRIEN STATE PARK, WASHINGTON COUNTY.] The following area is added to William O'Brien state park: The Northeast quarter of the Northeast Quarter, the West Half of the Northeast Quarter, and that part of the Northwest Quarter of the Southeast Quarter lying westerly of the Soo Line Railroad right-of-way, in Section 1, Township 31 North, Range 20 West, Washington county, Minnesota.

Sec. 2. Minnesota Statutes 1994, section 85.054, is amended by adding a subdivision to read:

Subd. 5. [GOOSEBERRY FALLS STATE PARK.] A state park permit is not required and a fee must not be charged for motor vehicle entry or parking at the Class I highway rest area parking lot located adjacent to U.S. Route No. 61 and the Gooseberry River at Gooseberry Falls state park.

Sec. 3. [REPEALER.]

Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20, are repealed."

Delete the title and insert:

"A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 85.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20."

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

House Conferees: (Signed) Thomas Bakk, Gregory M. Davids, Gene Pelowski, Jr.

Senate Conferees: (Signed) Steven Morse, Gene Merriam, Kenric J. Scheevel

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on H.F. No. 479 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. 479 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 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Novak	Scheevel
Berg	Johnson, D.E.	Larson	Oliver	Solon
Berglin	Johnson, J.B.	Lesewski	Olson	Spear
Bertram	Johnston	Lessard	Ourada	Stevens
Betzold	Kelly	Limmer	Pappas	Stumpf
Chandler	Kiscaden	Marty	Pariseau	Terwilliger
Chmielewski	Kleis	Merriam	Piper	Vickerman
Day	Knutson	Metzen	Price	Wiener
Dille	Kramer	Moe, R.D.	Ranum	
Finn	Krentz	Mondale	Runbeck	
Frederickson	Kroening	Morse	Sams	
Hanson	Laidig	Murphy	Samuelson	

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. Stumpf moved that the following members be excused for a Conference Committee on H.F. No. 787 at 2:00 p.m.:

Messrs. Stumpf, Dille, Bertram, Stevens and Finn. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Cohen moved that the following members be excused for a Conference Committee on S.F. No. 1678 at 2:00 p.m.:

Messrs. Cohen, Merriam, Riveness, Frederickson and Metzen. The motion prevailed.

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. 1105, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1105 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1105

A bill for an act relating to paternity; eliminating a presumption for husbands in certain cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; 257.57, subdivision 2; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision.

May 17, 1995

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. 1105, 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. 1105 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court. The presumption in this paragraph does not apply if the man has joined in a recognition of parentage recognizing another man as the biological father under section 257.75, subdivision 1a;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child;

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this paragraph to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

(f) Evidence of statistical probability of paternity based on blood testing establishes the likelihood that he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;

(g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision; or

(h) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75.

Sec. 2. Minnesota Statutes 1994, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (d), (e), (f), (g), or (h), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within ~~three years six months~~ after the ~~date of the execution of the declaration or recognition of parentage~~ person bringing the action obtains the results of blood or genetic tests that indicate that the presumed father is not the father of the child; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood test results.

Sec. 3. Minnesota Statutes 1994, section 257.75, subdivision 1, is amended to read:

Subdivision 1. [RECOGNITION BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father nor to any other man when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public and filed with the state registrar of vital statistics, state and acknowledge under oath that they are the biological parents of the child and wish to be recognized as the biological parents. The recognition must be in the form prepared by the commissioner of human services under subdivision 5, except that it may also include the joinder in recognition provisions under subdivision 1a. The requirement that the mother not be married when the child was conceived nor when the child was born does not apply if her husband or former husband joins in the recognition under subdivision 1a.

Sec. 4. Minnesota Statutes 1994, section 257.75, is amended by adding a subdivision to read:

Subd. 1a. [JOINDER IN RECOGNITION BY HUSBAND.] A man who is a presumed father under section 257.55, subdivision 1, paragraph (a), may join in a recognition of parentage that recognizes that another man is the child's biological father. The man who is the presumed father under section 257.55, subdivision 1, paragraph (a), must sign an acknowledgment under oath before a notary public that he is renouncing the presumption under section 257.55, subdivision 1, paragraph (a), and recognizing that the father who is executing the recognition under subdivision 1 is the biological father of the child. A joinder in a recognition under this subdivision must be executed within one year after the child's birth and at the same time as the recognition under subdivision 1 or within ten days following execution of the recognition. The joinder must be included in the recognition form or incorporated by reference within the recognition and attached to the form when it is filed with the state registrar of vital statistics. The joinder must be on a form prepared by the commissioner of human services. Failure to properly execute a joinder in a recognition does not affect the validity of the recognition under subdivision 1.

Sec. 5. Minnesota Statutes 1994, section 257.75, subdivision 2, is amended to read:

Subd. 2. [REVOCATION OF RECOGNITION.] A recognition may be revoked in a writing signed by the mother or father before a notary public and filed with the state registrar of vital statistics within 30 days after the recognition is executed. A joinder in a recognition may be revoked in a writing signed by the man who executed the joinder and filed with the state registrar of vital statistics within 30 days after the joinder is executed. Upon receipt of a revocation of the recognition of parentage or joinder in a recognition, the state registrar of vital statistics shall forward a copy of the revocation to the nonrevoking parent, or, in the case of a joinder in a recognition, to the mother and father who executed the recognition.

Sec. 6. Minnesota Statutes 1994, section 257.75, subdivision 4, is amended to read:

Subd. 4. [ACTION TO VACATE RECOGNITION.] An action to vacate a recognition of paternity may be brought by the mother, father, husband or former husband who executed a joinder, or the child. A mother or father, or husband or former husband who executed a joinder must bring the action within one year of the execution of the recognition or within six months after discovery of evidence in support of the action, whichever is later the person bringing the action obtains the results of blood or genetic tests that indicate that the man who executed the recognition is not the father of the child. A child must bring an action to vacate within six months of discovery of evidence in support of the action after the child obtains the result of blood or genetic tests that indicate that the man who executed the recognition is not the father of the child, or within one year of reaching the age of majority, whichever is later. If the court finds a prima facie basis for vacating the recognition, the court shall order the child, mother, and father, and husband or former husband who executed a joinder to submit to blood tests. If the court issues an order for the taking of blood tests, the court shall require the party seeking to vacate the recognition to make advance payment for the costs of the blood tests. If the party fails to pay for the costs of the blood tests, the court shall dismiss the action to vacate with prejudice. The court may also order the party seeking to vacate the recognition to pay the other party's reasonable attorney fees, costs, and disbursements. If the results of the blood tests establish that the man who executed the recognition is not the father, the court shall vacate the recognition. If a recognition is vacated, any joinder in the recognition under subdivision 1a is also vacated. The court shall terminate the obligation of a party to pay ongoing child support based on the recognition. A modification of child support based on a recognition may be made retroactive with respect to any period during which the moving party has pending a motion to vacate the recognition but only from the date of service of notice of the motion on the responding party.

Sec. 7. [APPLICATION; TRANSITION.]

(a) Notwithstanding section 2, a person whose action to declare the existence of the father and child relationship would be barred by section 2 but not by Minnesota Statutes 1994, section 257.57, subdivision 2, clause (2), has until August 1, 1996, or until three years after the date of execution of the declaration or recognition of parentage, whichever is sooner, to bring an action to declare the nonexistence of the father and child relationship presumed under Minnesota Statutes, section 257.55, subdivision 1, paragraph (e) or (g).

(b) Notwithstanding any law to the contrary, a person whose action to declare the nonexistence of the father and child relationship presumed under Minnesota Statutes, section 257.55, subdivision 1, paragraph (e), or a person whose motion to vacate a paternity adjudication because of the results of blood or genetic tests obtained after the adjudication, was barred before the effective date of section 2, has until February 1, 1996, to commence the action or bring a motion to vacate the paternity adjudication."

Delete the title and insert:

"A bill for an act relating to paternity; changing certain presumptions in paternity cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; 257.57, subdivision 2; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision."

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

House Conferees: (Signed) Robert Leighton, Jr., Matt Entenza, Dave Bishop

Senate Conferees: (Signed) Jane Krentz, Don Betzold, Sheila M. Kiscaden

Ms. Krentz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1105 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. 1105 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 52 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Murphy	Samuelson
Berg	Janezich	Laidig	Novak	Scheevel
Bertram	Johnson, D.E.	Langseth	Oliver	Solon
Betzold	Johnson, J.B.	Larson	Olson	Spear
Chandler	Johnston	Lesewski	Ourada	Stevens
Chmielewski	Kelly	Lessard	Pappas	Terwilliger
Day	Kiscaden	Limmer	Pariseau	Vickerman
Dille	Kleis	Marty	Piper	Wiener
Finn	Knutson	Moe, R.D.	Price	
Flynn	Kramer	Mondale	Runbeck	
Frederickson	Krentz	Morse	Sams	

Ms. Berglin, Mr. Merriam and Ms. Ranum 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 the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1033: A bill for an act relating to insurance; solvency; regulating disclosures, reinsurance, capital stock, managing general agents, and contracts issued on a variable basis; amending Minnesota Statutes 1994, sections 13.71, by adding a subdivision; 60A.03, subdivision 9; 60A.07, subdivision 10; 60A.093, subdivision 2; 60A.11, subdivisions 18 and 20; 60A.705, subdivision 8; 60A.75; 60H.02, subdivision 4; 60H.05, subdivision 1; 60H.08; 61A.19; 61A.31, subdivision 3; and 67A.231; proposing coding for new law in Minnesota Statutes, chapter 60A.

Senate File No. 1033 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

CONCURRENCE AND REPASSAGE

Mr. Oliver moved that the Senate concur in the amendments by the House to S.F. No. 1033 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1033 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Murphy	Sams
Belanger	Janezich	Langseth	Novak	Samuelson
Berg	Johnson, D.E.	Larson	Oliver	Scheevel
Berglin	Johnson, J.B.	Lesewski	Olson	Solon
Bertram	Johnston	Lessard	Ourada	Spear
Betzold	Kelly	Limmer	Pappas	Terwilliger
Chandler	Kiscaden	Marty	Pariseau	Vickerman
Chmielewski	Kleis	Merriam	Piper	Wiener
Day	Knutson	Moe, R.D.	Price	
Finn	Kramer	Mondale	Ranum	
Flynn	Kroening	Morse	Runbeck	

So the bill, as amended, 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, with the exception of the reports pertaining to appointments. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 806: A bill for an act relating to retirement; providing various benefit increases and related modifications; amending Minnesota Statutes 1994, sections 124.916, subdivision 3; 136.90; 352.01, subdivision 13; 352B.02, subdivision 1a; 352B.08, subdivision 2; 352B.10, subdivision 1; 353.65, subdivision 7; 353.651, subdivision 4; 353A.083; 354.445; 354.66, subdivision 4; 354A.094, subdivision 4; 354A.12, subdivisions 1, 2, 3b, 3c, and by adding a subdivision; 354A.27, subdivision 1, and by adding subdivisions; 354A.31, subdivision 4, and by adding a subdivision; 354B.05, subdivisions 2, and 3; 354B.07, subdivisions 1, and 2; 354B.08, subdivision 2; 356.30, subdivision 1; 356.611; 422A.05, by adding a subdivision; 422A.09, subdivision 2; 422A.101, subdivision 1a; Laws 1994, chapter 499, section 2; proposing coding for new law in Minnesota Statutes, chapters 125; 354A; and 356; repealing Minnesota Statutes 1994, sections 3A.10, subdivision 2; 352.021, subdivision 5; and 354A.27, subdivisions 2, 3, and 4.

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

Page 2, line 13, after "system" insert ", technical college system"

Page 2, line 15, after "university" insert ", technical college,"

Page 2, line 20, after "university" insert ", technical college,"

Page 2, line 24, after "association" insert "or a first class city teacher plan"

Page 4, line 4, after "system" insert ", technical college system"

Page 4, line 6, after "university" insert ", technical college,"

Page 4, line 11, after "university" insert ", technical college,"

Page 4, line 15, after "association" insert "or from a first class city teacher plan"

Page 19, after line 35, insert:

"Sec. 2. [354A.026] [DULUTH TEACHERS RETIREMENT FUND ASSOCIATION; EXCEPTION TO CERTAIN ACTUARIAL VALUATION PROVISIONS.]

Notwithstanding any provision of section 356.215, subdivision 4g, to the contrary, the amortization target date for use in determining the amortization contribution requirement in any actuarial valuation of the Duluth teachers retirement fund association after the date of enactment must be June 30, 2020."

Page 27, line 10, delete "1.16" and insert "1.13"

Page 27, lines 12 and 21, delete "1.66" and insert "1.63"

Page 27, after line 33, insert:

"The insurer shall reimburse the fund for the administrative expense of deducting and paying the premiums. The carrier is liable for any failure to withhold and credit the premiums correctly."

Page 30, lines 10 and 17, delete "7 and 8" and insert "8 and 9"

Page 30, line 29, delete "1.41" and insert "1.38"

Page 30, line 34, delete "2, 7, 8, 9, and 15" and insert "3, 8, 9, 10, and 16"

Page 31, line 3, delete "3, 4, 5, 6, and 14" and insert "4, 5, 6, 7, and 15"

Page 31, line 8, delete "2" and insert "3"

Page 31, line 10, delete "7, 8, 9, 15, 17, and 18" and insert "8, 9, 10, 16, 18, and 19"

Page 31, line 12, delete "11 and 16" and insert "12 and 17"

Page 31, line 13, delete "12 and 13" and insert "13 and 14"

Page 31, line 15, delete "10" and insert "11"

Pages 35 to 37, delete article 4

Page 37, line 7, delete "5" and insert "4"

Page 38, line 11, after "(4)" insert "either" and after "1996" insert ", or, for a person who first becomes eligible for this incentive between January 31, 1996, and December 31, 1996, retires before January 31, 1997"

Page 39, after line 33, insert:

"ARTICLE 5

PUBLIC PENSION PLAN COLLATERALIZATION REQUIREMENT AND INVESTMENT AUTHORITY STATEMENT

Section 1. Minnesota Statutes 1994, section 356A.06, is amended by adding a subdivision to read:

Subd. 8a. [COLLATERALIZATION REQUIREMENT.] (a) The governing board of a covered pension plan shall designate a national bank, an insured state bank, an insured credit union, or an insured thrift institution as the depository for the pension plan for assets not held by the pension plan's custodian bank.

(b) Unless collateralized as provided under paragraph (c), a covered pension plan may not deposit in a designated depository an amount in excess of the insurance held by the depository in the federal deposit insurance corporation, the federal savings and loan insurance corporation, or the national credit union administration, whichever applies.

(c) For an amount greater than the insurance under paragraph (b), the depository must provide collateral in compliance with section 118.01 or with any comparable successor enactment relating to the collateralization of municipal deposits.

Sec. 2. Minnesota Statutes 1994, section 356A.06, is amended by adding a subdivision to read:

Subd. 8b. [DISCLOSURE OF INVESTMENT AUTHORITY; RECEIPT OF STATEMENT.]

(a) For this subdivision, the term "broker" means a broker, broker-dealer, investment advisor, investment manager, or third party agent who transfers, purchases, sells, or obtains investment securities for, or on behalf of, a covered pension plan.

(b) Before a covered pension plan may complete an investment transaction with or in accord with the advice of a broker, the covered pension plan shall provide annually to the broker a written statement of investment restrictions applicable under state law to the covered pension plan or applicable under the pension plan governing board investment policy.

(c) A broker must acknowledge in writing annually the receipt of the statement of investment restrictions and must agree to handle the covered pension plan's investments and assets in accord with the provided investment restrictions. A covered pension plan may not enter into or continue a business arrangement with a broker until the broker has provided this written acknowledgment to the chief administrative officer of the covered pension plan.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1996."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring collateralization and investment authority statement;"

Page 1, line 7, delete "353.65, subdivision 7;"

Page 1, line 15, after the first semicolon, insert "356A.06, by adding subdivisions;"

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for March 2, 1995:

**IRON RANGE RESOURCES AND REHABILITATION
COMMISSIONER**

James Gustafson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for February 21, 1995:

WORKERS' COMPENSATION COURT OF APPEALS

Thomas L. Johnson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. No. 806 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1701 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1701: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Novak	Samuelson
Belanger	Johnson, D.E.	Larson	Oliver	Scheevel
Berg	Johnson, J.B.	Lesewski	Olson	Solon
Berglin	Johnston	Lessard	Ourada	Spear
Betzold	Kelly	Limmer	Pappas	Terwilliger
Chandler	Kiscaden	Marty	Piper	Vickerman
Chmielewski	Kleis	Merriam	Price	Wiener
Day	Knutson	Mondale	Ranum	
Finn	Kramer	Morse	Runbeck	
Hanson	Kroening	Murphy	Sams	

So the bill passed and its title was agreed to.

Mr. Kelly moved that S.F. No. 1701 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1670 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1670

A bill for an act relating to the organization and operation of state government; appropriating money for community development and certain agencies of state government, with certain conditions; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; requiring studies and reports; amending Minnesota Statutes 1994, sections 116J.873, subdivision 3, and by adding subdivisions; 116M.16, subdivision 2; 116M.18, subdivisions 4, 5, and by adding a subdivision; 116N.03, subdivision 2; 116N.08, subdivisions 5, 6, and by adding a subdivision; 124.85, by adding a subdivision; 175.171; 268A.01, subdivisions 4, 5, 6, 9, and 10; 268A.03; 268A.06, subdivision 1; 268A.07; 268A.08, subdivisions 1 and 2; 268A.13; 462A.201, subdivision 2; 462A.204, subdivision 1; and 462A.21, subdivisions 3b, 8b, 21, and by adding a subdivision; Laws 1994, chapter 643, section 19, subdivision 9; proposing coding for new law in Minnesota

Statutes, chapters 178; 268A; and 462A; repealing Minnesota Statutes 1994, sections 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; and 268A.09.

May 17, 1995

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. 1670, 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. 1670 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ECONOMIC DEVELOPMENT; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1996" and "1997," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1996, or June 30, 1997, respectively. The term "first year" means the fiscal year ending June 30, 1996, and "second year" means the fiscal year ending June 30, 1997.

SUMMARY BY FUND

	1995	1996	1997	TOTAL
General	\$408,000	\$194,091,000	\$160,733,000	\$355,232,000
Petroleum Tank Cleanup		838,000	842,000	1,680,000
Trunk Highway Special		670,000	670,000	1,340,000
Compensation	407,000	20,641,000	18,179,000	39,227,000
Special Revenue		336,000	341,000	677,000
TOTAL	\$815,000	\$216,576,000	\$180,765,000	\$398,156,000

APPROPRIATIONS Available for the Year Ending June 30

	1995	1996	1997
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT			

Subdivision 1. Total Appropriation	\$	\$ 36,579,000	\$ 21,648,000
------------------------------------	----	---------------	---------------

Summary by Fund

General	35,909,000	20,978,000
Trunk Highway	670,000	670,000

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

Subd. 2. Business and Community Development

23,961,000	9,351,000
------------	-----------

\$100,000 the first year and \$100,000 the second year are for the affirmative enterprise program. The appropriation is available until spent.

\$6,017,000 the first year is for economic recovery grants, of which \$500,000 may be used for the purposes of the capital access program, and is available until spent.

\$379,000 the first year and \$379,000 the second year are for the small cities federal match.

\$200,000 the first year and \$200,000 the second year are for grants to Advantage Minnesota, Inc. The funds are available only if matched on at least a dollar-for-dollar basis from other sources. The commissioner may release the funds only upon:

- (1) certification that matching funds from each participating organization are available; and
- (2) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium.

\$450,000 the first year and \$450,000 the second year are for the state's match for the federal small business development centers. If funding in one year is insufficient, the other year's appropriation is available.

\$1,987,000 the first year and \$1,962,000 the second year are for the job skills partnership program.

\$300,000 is to the 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 spent.

\$100,000 the first year and \$100,000 the second year are to the job skills partnership board for a grant to the city of Minneapolis' employment connection program with the Minneapolis Community Development Agency.

\$7,800,000 is for grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

\$100,000 is for a grant to the Phoenix Group, Inc. The grant must be used to make grants and loans and provide technical and other assistance

to community residents in neighborhoods with high levels of poverty for the purpose of creating business opportunities to promote self-sufficiency. The appropriation is available for the biennium ending June 30, 1997.

\$200,000 the first year is for a grant to Hennepin county for the multijurisdictional reinvestment program established in Minnesota Statutes, section 383B.79. Hennepin county, working in conjunction with the metropolitan council, shall report to the senate committee on jobs, energy, and community development and the house committee on economic development, infrastructure, and regulation finance by February 15, 1996, with its recommendations, funding needs, and potential funding sources to carry out the multijurisdictional reinvestment program. This appropriation does not lapse, and is available until spent.

\$450,000 the first year and \$515,000 the second year are from fees collected under Minnesota Statutes, section 446A.04, subdivision 5, and credited to the general fund to administer the programs of the public facilities authority.

\$250,000 is for the state's share for a matching defense conversion grant to Hennepin and Ramsey counties from the United States department of commerce economic development administration. The state and local government contribution must be matched at least three to one by the federal government. This appropriation is available until spent.

Subd. 3. Minnesota Trade Office

2,304,000	2,318,000
-----------	-----------

\$150,000 the first year and \$150,000 the second year are for state participation in the federal City-State Leveraged Financing Program.

Subd. 4. Tourism

8,172,000	8,147,000
-----------	-----------

Summary by Fund

General	7,502,000	7,477,000
Trunk Highway	670,000	670,000

\$100,000 is for the costs of activities by the commissioner of trade and economic development to resolve a dispute concerning fishing restrictions in Ontario waters that unduly restrict the rights of Minnesota residents to take fish by angling in border waters. The commissioner may use this appropriation for (1) a grant to the attorney general to study a legal challenge in the courts of Ontario or any other

available forum to actions of that province relating to fishing rights of Minnesotans in border waters, (2) efforts to mediate the dispute, (3) seeking recourse through the mechanisms of international trade agreements, or (4) other actions the commissioner deems necessary to achieve a resolution. This appropriation is available until spent.

\$100,000 the first year and \$175,000 the second year are for expanded group tour marketing and to host the National Tour Association Convention in Minnesota in 1996.

To develop maximum private sector involvement in tourism, \$2,500,000 the first year and \$2,500,000 the second year of the amounts appropriated for marketing activities are contingent upon receipt of an equal contribution of nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions. This appropriation may not be spent until the money is matched. Of this appropriation, \$400,000 the first year and \$400,000 the second year are for international marketing and tourism promotion to maximize international tourism to Minnesota and to promote Minnesota goods and services in the international market place. The office of tourism shall consult with the trade office in these promotional efforts. The office shall report on January 1, 1997, to the chairs of the legislative committees with jurisdiction over economic development policy and finance on these promotional efforts.

In order to maximize marketing grant benefits, the commissioner must give priority for joint venture marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the commissioner must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

Any unexpended money from general fund appropriations made under this subdivision do not cancel, but must be placed in a special advertising account for use by the office of tourism to purchase additional media.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

\$229,000 the first year and \$229,000 the second year are for the Minnesota film board. This appropriation is available only upon receipt by the board of \$1 in matching contributions of

money or in-kind from nonstate sources for every \$3 provided by this appropriation.

The commissioner may use grant dollars or the value of in-kind services to provide the state contribution for the joint venture grant program.

Subd. 5. Administration

2,142,000	1,832,000
-----------	-----------

\$670,000 the first year and \$330,000 the second year are for network management services and support.

Sec. 3. MINNESOTA TECHNOLOGY, INC.

8,034,000

7,834,000

\$6,105,000 the first year and \$6,105,000 the second year are for transfer from the general fund to the Minnesota Technology, Inc. fund.

\$75,000 the first year and \$75,000 the second year are for grants to Minnesota Inventors Congress.

\$494,000 the first year and \$494,000 the second year are for grants to Minnesota Project Innovation.

\$1,147,000 the first year and \$947,000 the second year are for grants to Natural Resources Research Institute. Of this appropriation the institute shall spend \$200,000 the first year as follows:

(1) \$100,000 is for a study of water quality impacts and permitting requirements related to peat harvesting operations. The study must include: (i) a review of existing water quality permitting requirements and the ability of peat producers to comply with these requirements; (ii) establishment and monitoring of representative background control and downstream sampling locations at selected peat harvesting operations; (iii) an evaluation of the use of innovative best management practices to minimize downstream water quality impacts; and (iv) development of a model water quality permit for peat harvesting operations in this state. By October 1, 1997, the institute shall report on the results of the study to the chairs of the senate and house environment and natural resources committees. The report must include recommendations, if any, for changes to existing state laws and rules relating to water quality permitting requirements for peat harvesting operations.

(2) \$100,000 is for a grant to Rainy River community college for a study of reclamation and restoration options for harvested peatlands. The grant recipient must submit to the chairs of the senate and house environment and natural

resources committees a report on the study, including any recommendations for changes to existing laws and rules relating to reclamation and restoration of harvested peatlands.

\$88,000 the first year and \$88,000 the second year are for grants to Minnesota Council for Quality.

\$50,000 the first year and \$50,000 the second year are for grants to Minnesota Technology Corridor Corporation.

\$75,000 the first year and \$75,000 the second year are for grants to Minnesota Cold Weather Research Center.

Sec. 4. WORLD TRADE CENTER CORP. 170,000

Sec. 5. ECONOMIC SECURITY 51,952,000 47,772,000

Subdivision 1. Rehabilitation Services

18,232,000 18,232,000

\$100,000 the first year and \$100,000 the second year are for centers for independent living.

\$70,000 in 1996 and \$70,000 in 1997 is for mentally ill employment support services authorized by Minnesota Statutes, section 268A.13.

\$50,000 the first year and \$50,000 the second year are for purposes of planning, implementing, and managing the statewide reimbursement system authorized by Minnesota Statutes, section 268A.14.

Subd. 2. State Services for the Blind

3,638,000 3,659,000

This appropriation may be supplemented by funds provided by the Friends of the Communication Center, for support of Services for the Blind's Communication Center, which serves all blind and visually handicapped Minnesotans. The commissioner shall report to the legislature on a biennial basis the funds provided by the Friends of the Communication Center.

Subd. 3. Community-Based Services

30,082,000 25,881,000

\$935,000 the first year and \$935,000 the second year are for operating costs of transitional housing programs under Minnesota Statutes, section 268.38.

\$7,000,000 the first year and \$7,000,000 the second year are for the Minnesota economic opportunity grant program. Of this appropriation the commissioner may use up to 8.7 percent each year for state operations.

For the biennium ending June 30, 1997, the commissioner shall transfer to the low-income home weatherization program at least five percent of the money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1997, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the weatherization program may be used by the commissioner for administrative purposes.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

\$100,000 the first year and \$100,000 the second year are for youth intervention programs under Minnesota Statutes, section 268.30, subdivisions 1 and 2. Funding may be used to expand existing programs to serve unmet needs and to create new programs in underserved areas. In awarding these new funds, the commissioner may waive or modify the requirement for local match when this requirement deters expansion to underserved communities or populations. This appropriation is available until spent.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,000,000 in the first year and \$3,000,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Of this appropriation, \$3,000,000 the first year is for summer youth employment programs.

Of the money appropriated for the summer youth employment programs for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

\$200,000 the first year is for youth employment and for housing for the homeless through the YOUTHBUILD program. A Minnesota

YOUTHBUILD program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.367 qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

Of the appropriation for Head Start, the commissioner may use up to two percent each year for state operations.

\$250,000 is for the learn to earn summer youth employment demonstration program established in section 39. This appropriation is available until spent.

Sec. 6. HOUSING FINANCE AGENCY

30,082,000

17,532,000

This appropriation is for transfer to the housing development fund for the programs specified. This transfer is part of the agency's permanent budget base.

Any state appropriations used to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, must be repaid, to the extent required by federal law, to the HOME Investment Trust Fund established by the department of housing and urban development pursuant to Title II of the National Affordable Housing Act of 1990 for the state of Minnesota or for the appropriate participating jurisdiction.

State appropriations to the Minnesota housing finance agency may be granted by the agency to cities or nonprofit organizations to the extent necessary to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, provided that other program requirements are met.

Spending limit on cost of general administration of agency programs:

1996	1997
10,493,000	9,911,000

\$1,200,000 the first year and \$1,200,000 the second year are for a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

\$6,000,000 is for the affordable rental investment fund program. To the extent practicable, this appropriation shall be used so that an approximately equal number of housing units are financed in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, and in the nonmetropolitan area.

(a) In the area of the state outside the metropolitan area, the agency must work with groups in the funding regions created under Minnesota Statutes, section 116N.08 to assist the agency in identifying the affordable housing needed in each region in connection with economic development and redevelopment efforts and in establishing priorities for uses of the affordable rental investment fund. The groups must include the regional development commissioners, the regional organization selected under section 116N.08, the private industry councils, units of local government, community action agencies, the Minnesota housing partnership network groups, local lenders, for-profit and nonprofit developers, and realtors. In addition to priorities developed by the group, the agency must give a preference to economically viable projects in which units of local government, area employers, and the private sector contribute financial assistance.

(b) In the metropolitan area, the commissioner shall collaborate with the metropolitan council to identify the priorities for use of the affordable rental investment fund. Funds distributed in the metropolitan area must be used consistent with the objectives of the metropolitan development guide, adopted under Minnesota Statutes, section 473.145. In addition to the priorities identified in conjunction with the metropolitan council, the agency shall give preference to economically viable projects that:

- (1) include a contribution of financial resources from units of local government and area employers;
- (2) take into account the availability of transportation in the community; and
- (3) take into account the job training efforts in the community.

\$5,800,000 is for the community rehabilitation program. Of this amount, \$250,000 each year is for full cycle home ownership and purchase-rehabilitation lending initiatives. At least 20 percent of this appropriation must be used in areas in a city of the first class located in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, in which at least one census tract meets at least three of the four following criteria:

- (1) at least 70 percent of the housing structures were built before 1960;
- (2) at least 60 percent of the single-family housing is owner occupied;

(3) the median value, as recorded in the 1990 federal decennial census, of the area's owner-occupied housing is not more than 100 percent of the purchase price limit for existing homes eligible for purchase in the area under the agency's home mortgage loan program; and

(4) between 1980 and 1990, the rate of owner-occupancy of residential properties in the area declined by five percent, or at least 80 percent of the residential properties in the area are rental properties.

The area shall include eight blocks in any direction from the census tract.

In cities of the first class located in the metropolitan area the appropriation may be used only for grants and loans for owner-occupied housing. Priority must be given for property located in an area that meets all four of the criteria. This appropriation may fund grants in an amount greater or less than \$350,000 and a grantee may receive grants to serve one or more census tracts within a city.

In distributing funds available from the 1994 Series E bond sale, the agency, in accordance with the terms of that sale, shall give priority to requests for use of the funds in cities which receive funding from this appropriation to the community rehabilitation program.

\$150,000 is for equal grants to the six regional organizations selected under Minnesota Statutes, section 116N.08, for capacity building grants and if the appropriation is not spent under that section it is available for the capacity building grant program under Minnesota Statutes, section 462A.21, subdivision 3b.

\$187,000 the first year and \$187,000 the second year are for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15.

\$1,683,000 the first year and \$1,683,000 the second year are for the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14.

\$186,000 the first year and \$186,000 the second year are for the Minnesota rural and urban homesteading program under Minnesota Statutes, section 462A.057.

The agency may use up to \$1,000,000 of available resources for the purpose of making loans under the Minnesota rural and urban homesteading program established under Minnesota Statutes, section 462A.057,

subdivision 1. The commissioner shall report to the relevant finance divisions in the house of representatives and senate on the outcomes of this program January 15 of each year.

\$500,000 is for the purpose of residential lead paint and lead contaminated soil abatement under Minnesota Statutes, section 462A.05, subdivision 15c, paragraph (b).

\$4,287,000 the first year and \$4,287,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivision 14a.

\$1,500,000 the first year and \$1,500,000 the second year are for the rent assistance for family stabilization program under Minnesota Statutes, section 462A.205.

\$100,000 is for the contract for deed guarantee account.

\$200,000 the first year and \$200,000 the second year are for family homeless prevention and assistance program.

\$200,000 the first year and \$200,000 the second year are for the emergency mortgage foreclosure prevention and emergency rental assistance program.

\$25,000 the first year and \$25,000 the second year are for home equity conversion counseling grants under Minnesota Statutes, section 462A.28.

Sec. 7. COMMERCE

Subdivision 1. Total

Appropriation	15,087,000	15,162,000
---------------	------------	------------

Summary by Fund

General	13,913,000	13,979,000
Petro Cleanup	838,000	842,000
Special Revenue	336,000	341,000

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

Subd. 2. Financial Examinations

3,775,000	3,790,000
-----------	-----------

Subd. 3. Registration and Analysis

3,995,000	4,002,000
-----------	-----------

Subd. 4. Enforcement and Licensing

3,913,000	3,934,000
-----------	-----------

Summary by Fund

General	3,577,000	3,593,000
Special Revenue	336,000	341,000

\$336,000 the first year and \$341,000 the second year are from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

**Subd. 5. Petroleum Tank Release
Cleanup Board**

838,000	842,000
---------	---------

This appropriation is from the petroleum tank release cleanup account in the environmental fund for administration.

Subd. 6. Administrative Services

2,716,000	2,744,000
-----------	-----------

Subd. 7. General Reduction

(150,000)	(150,000)
-----------	-----------

Sec. 8. BOARD OF ACCOUNTANCY	537,000	558,000
------------------------------	---------	---------

Sec. 9. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN	100,000	625,000	635,000
--	---------	---------	---------

The appropriation for fiscal year 1995 is for legal fees and is available until June 30, 1997.

Sec. 10. BOARD OF BARBER EXAMINERS	128,000	129,000
---------------------------------------	---------	---------

Sec. 11. BOARD OF BOXING	75,000	75,000
--------------------------	--------	--------

Sec. 12. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation	23,136,000	20,680,000
---------------------------------------	------------	------------

Summary by Fund

General	3,866,000	3,883,000
---------	-----------	-----------

Workers' Compensation	407,000	19,270,000	16,797,000
--------------------------	---------	------------	------------

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

**Subd. 2. Workers' Compensation
Regulation and Enforcement**

407,000	11,861,000	9,412,000
---------	------------	-----------

Summary by Fund

General	100,000	100,000
---------	---------	---------

Special Compensation	407,000	11,761,000	9,312,000
-------------------------	---------	------------	-----------

The appropriation for fiscal year 1995 is from

the special compensation fund for litigation expenses.

\$2,500,000 the first year is from the worker's compensation special compensation fund for the Daedalus imaging systems project, to be available until June 30, 1997.

\$100,000 in the first year and \$100,000 in the second year are for grants to the Vinland Center for rehabilitation service.

Notwithstanding Minnesota Statutes, section 79.253, \$45,000 the first year and \$45,000 the second year are appropriated from the assigned risk safety account in the special compensation fund to the commissioner of labor and industry for the purpose of providing information to employers regarding the prevention of violence in the workplace.

Notwithstanding Minnesota Statutes, section 79.253, \$140,000 the first year and \$140,000 the second year are appropriated from the assigned risk safety account in the special compensation fund to the commissioner of labor and industry for the purpose of hiring two occupational safety and health inspectors. The inspectors shall perform safety consultations for employers through labor-management committees as defined in Minnesota Statutes, section 179.81, subdivision 2, under an interagency agreement entered into between the commissioners of labor and industry and mediation services.

Subd. 3. Workplace Services

5,353,000	5,339,000
-----------	-----------

Summary by Fund

General	2,516,000	2,527,000
Workers' Comp.	2,837,000	2,812,000

Subd. 4. General Support

5,922,000	5,929,000
-----------	-----------

Summary by Fund

General	1,250,000	1,256,000
Workers' Compensation	4,672,000	4,673,000

\$204,000 the first year and \$204,000 the second year are for labor education and advancement program grants.

Sec. 13. MEDIATION SERVICES

Subdivision 1. Total Appropriation

1,820,000	1,823,000
-----------	-----------

Subd. 2. Labor Management Cooperation Grants

222,000	222,000	
<p>\$222,000 the first year and \$222,000 the second year are for grants to area labor-management committees. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.</p>		
Subd. 3. Office of Dispute Resolution		
81,000	81,000	
Sec. 14. WORKERS' COMPENSATION COURT OF APPEALS		
	1,371,000	1,382,000
This appropriation is from the special compensation fund.		
Sec. 15. LABOR INTERPRETIVE CENTER		
	140,000	200,000
Sec. 16. PUBLIC UTILITIES COMMISSION		
	3,244,000	3,219,000
Sec. 17. DEPARTMENT OF PUBLIC SERVICE		
Subdivision 1. Total Appropriation		
	8,797,000	8,763,000
The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.		
Subd. 2. Telecommunications		
761,000	767,000	
Subd. 3. Weights and Measures		
2,926,000	2,937,000	
Subd. 4. Information and Operations Management		
1,461,000	1,472,000	
Subd. 5. Energy		
3,649,000	3,587,000	
<p>\$588,000 the first year and \$588,000 the second year are for transfer to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of economic security to improve the energy efficiency of residential oil-fired heating plants in low-income households and, when necessary, to provide weatherization services to the homes.</p>		
Sec. 18. MINNESOTA HISTORICAL SOCIETY		
Subdivision 1. Total Appropriation		
	18,889,000	18,832,000
The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.		

The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies if one is available. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Public Programs
and Operations

18,434,000 18,500,000

(a) History Center Operations

9,043,000 9,043,000

(b) History Center Building Services

5,568,000 5,568,000

(c) Historic Site Operations

2,749,000 2,815,000

(d) Statewide Outreach

644,000 644,000

(e) Repair and Replacement

430,000 430,000

Subd. 3. Fiscal Agent

455,000 332,000

(a) State Archaeologist

104,000 104,000

(b) Sibley House Association

88,000 88,000

This appropriation is available for operation and maintenance of the Sibley house and related buildings on the Old Mendota state historic site operated by the Sibley house association.

(c) Minnesota International Center

50,000 50,000

(d) Minnesota Air National
Guard Museum

19,000

(e) Institute for Learning and
Teaching - Project 120

90,000 90,000

(f) Minnesota Military Museum

29,000

(g) Farmamerica

25,000

Notwithstanding any other law, this appropriation may be used for operations.

(h) Kee theatre

25,000

(i) Federal National Guard Museum

25,000

(j) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Preservation grants

Notwithstanding Laws 1994, chapter 643, section 19, subdivision 5, the historical society may award grants from the unexpended balance under that subdivision to public agencies or entities based on historical preservation purposes and needs. The society shall require significant matching money for such projects. A grant awarded under this section for historical preservation is not subject to the requirements of Minnesota Statutes, section 16A.695.

Subd. 5. Carryover

Amounts appropriated under Laws 1993, chapter 369, section 12, subdivisions 2, 3, 4, and 5, do not cancel on June 30, 1995, but are available until June 30, 1997.

Sec. 19. MINNESOTA HUMANITIES COMMISSION

	586,000	586,000
--	---------	---------

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 20. BOARD OF THE ARTS**Subdivision 1. Total Appropriation**

	6,897,000	6,903,000
--	-----------	-----------

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Subd. 2. Operations and Services

	690,000	693,000
--	---------	---------

Subd. 3. Grants Program

	4,781,000	4,783,000
--	-----------	-----------

The board shall spend this appropriation to ensure that at least ten percent of the expenditure is for arts programs intended primarily for children.

Subd. 4. Regional Arts Councils

	1,426,000	1,427,000
--	-----------	-----------

The board shall distribute this appropriation to the regional arts councils to ensure that ten percent of the total distribution in each region is for arts programs intended primarily for children.

Sec. 21. MINNESOTA MUNICIPAL BOARD

	300,000	287,000
--	---------	---------

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

**Sec. 22. UNIFORM LAWS
COMMISSION**

29,000 29,000

**Sec. 23. COUNCIL ON BLACK
MINNESOTANS**

229,000 232,000

The appropriation for the second year is contingent on submission of the report required in section 35.

**Sec. 24. COUNCIL ON AFFAIRS
OF SPANISH-SPEAKING PEOPLE**

246,000 248,000

During the biennium ending June 30, 1997, council publications may contain advertising. Receipts from advertising are appropriated to the council for purposes of council publications. For the biennium ending June 30, 1997, the council shall report to the legislature on the revenues and expenditures from advertising by February 15 each year.

The appropriation for the second year is contingent on submission of the report required in section 35.

**Sec. 25. COUNCIL ON
ASIAN-PACIFIC MINNESOTANS**

198,000 200,000

The appropriation for the second year is contingent on submission of the report required in section 35.

**Sec. 26. INDIAN AFFAIRS
COUNCIL**

508,000 463,000

For the biennium ending June 30, 1997, federal money received for the Indian affairs council is appropriated to the council and added to this appropriation.

The appropriation for the second year is contingent on submission of the report required in section 35.

Sec. 27. SECRETARY OF STATE

**Subdivision 1. Total
Appropriation**

6,617,000 5,573,000

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

Subd. 2. Administration

938,000 947,000

Subd. 3. Operations

5,231,000 4,103,000

The legislature estimates that the increase in fees for expedited processing under Minnesota Statutes, section 5.14, provided for by this act, will increase revenue to the general fund by

\$350,000 the first year and \$350,000 the second year.

Subd. 4. Election Administration

448,000

523,000

Sec. 28. BOARD FOR COMMUNITY COLLEGES

300,000

This appropriation is to the state board for community colleges or its successor for the design through development of construction documents, to the extent possible given the amount of the appropriation, for a residential facility at Fond du Lac community college. The facility is intended for Indian students, to help immerse them in Indian culture while attending the college. The board shall include the facility in its capital budget request for consideration by the 1996 legislature. This appropriation is available until expended.

Sec. 29. ETHICAL PRACTICES BOARD

308,000

This appropriation is for fiscal year 1995. Of this appropriation, \$291,000 is for litigation expenses and \$17,000 is for severance costs.

Sec. 30. [EFFECTIVE DATE FOR LAWS 1995, CHAPTER 22.]

Laws 1995, chapter 22, is effective March 28, 1995. This section is effective the day following final enactment.

Sec. 31. Laws 1994, chapter 573, section 5, subdivision 2, is amended to read:

Subd. 2. [PUBLIC UTILITIES COMMISSION; RESEARCH PROJECTS.] \$150,000, or so much of this amount as may be needed, is appropriated from the general fund to the public utilities commission to complete the work of the team of science advisors as specified in section 1 or initiate research projects in fiscal year 1995 as recommended by the team of science advisors and approved by the commission. Any amount of this appropriation that remains unencumbered after June 30, 1996, reverts to the general fund.

Sec. 32. Laws 1993, chapter 369, section 9, subdivision 2, is amended to read:

Subd. 2. Workers' Compensation Regulation and Enforcement

14,961,000

9,410,000

Summary by Fund

General	100,000	100,000
Workers' Comp.	14,861,000	9,310,000

\$5,000,000 the first year from the special compensation fund is for the Daedalus imaging systems project. This appropriation must not be allotted until the commissioner certifies that all information policy office requirements for this project have been met or will be met. This appropriation is available ~~for either year of the biennium~~ until June 30, 1997.

\$100,000 in the first year and \$100,000 in the second year are for grants to the Vinland Center for rehabilitation service.

Fee receipts collected as a result of providing direct computer access to public workers' compensation data on file with the commissioner must be credited to the general fund.

Sec. 33. Laws 1993, chapter 369, section 9, subdivision 3, is amended to read:

Subd. 3. Workplace Services

5,455,000	4,744,000	
Summary by Fund		
General	2,704,000	2,703,000
Workers' Comp.	2,751,000	2,041,000

This appropriation includes the transfer of the industrial hygiene activity from the department of health. The appropriation for this activity is from the special compensation fund.

\$710,000 the first year from the special compensation fund is for litigation of alleged ergonomic violations cases under the occupational safety and health act (OSHA). This appropriation is available ~~for either year of the~~ biennium until June 30, 1997.

Sec. 34. [BASE CUT TRANSFERS.]

For any agency assigned base cuts in this act, the proportion of agency base cuts for pass-through grants compared to total agency base cuts may not exceed the proportion of dollars appropriated for pass-through grants in the agency compared to total dollars appropriated to that agency.

Sec. 35. [COUNCILS TO REPORT.]

(a) The Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans shall, individually and jointly as provided in paragraph (b), conduct a study of each council's membership and operations. Each council's study must contain recommendations on:

- (1) removal of council members by the governor;
- (2) statutory requirements and qualifications for council membership;
- (3) appointment of the council director, including qualifications;
- (4) methods of reducing overall costs of the councils through sharing of staff and administrative expenses;
- (5) methods of improving coordination with other state agencies;
- (6) methods of reducing burdensome reporting requirements without compromising accountability;
- (7) methods of educating council members in management issues for state agencies, including but not limited to statewide budget and accounting practices, management practices, and legal liability; and
- (8) a statement of the mission of each council and measurable impact goals for each council.

(b) Each council must make all feasible efforts to coordinate its study with each other council's study, to achieve the maximum possible consistency in recommendations.

(c) Each council must consult with the governor's office in studying paragraph (b), items (1) to (3).

(d) Each council must submit its report to the legislature by February 1, 1996.

Sec. 36. [STUDY TO ASSESS BENEFITS OF CIVIC CENTERS.]

The division of tourism of the department of trade and economic development shall conduct a statewide study assessing the benefits of publicly owned civic and convention centers to the convention and tourism industry in the state. The results of the study shall be reported to the house capital investment committee and the senate finance committee by September 30, 1995. A copy of the study shall be given to the governor and to the commissioner of finance, who shall consider whether to include funding for civic and convention centers in the 1996 capital budget.

Sec. 37. [WORKERS' COMPENSATION DIVISION; SALARIES; MANAGERIAL PLAN.]

Funds appropriated to the department of labor and industry may not be used to pay the salaries for any positions in the managerial plan under Minnesota Statutes, section 43A.18, subdivision 3, in the workers' compensation division unless the positions existed on October 1, 1994, and had been filled on or before that date. This section does not prohibit the addition or modification of duties or responsibilities to existing managerial plan positions.

Sec. 38. [BRANDON FISHERIES ACQUISITION.]

The commissioner of trade and economic development shall study whether it is economically feasible and otherwise appropriate for the state to acquire the Brandon fisheries property near Brandon, Minnesota, for the purpose of a rest stop or tourism information center. The results of the study shall be reported to the relevant finance divisions and committees of the legislature by January 15, 1996.

Sec. 39. [DEMONSTRATION PROGRAM.]

The commissioner of economic security shall fund a demonstration program for summer youth employment which requires that youth who are otherwise eligible for employment under Minnesota Statutes, sections 268.56 and 268.561, participate in a program of remedial education involving reading and writing skills in both a learning and teaching capacity as part of summer youth programs. The commissioner shall evaluate the success of the program and report to the chairs of the jobs, energy, and community development committee of the senate and the economic development, infrastructure, and regulation finance committee of the house of representatives.

Sec. 40. [REGIONAL PROGRAM TO IDENTIFY ENERGY-EFFICIENCY INVESTMENT OPPORTUNITIES FOR BUSINESS.]

Subdivision 1. [PURPOSE.] A grant program for fiscal year 1996 is established to support regional efforts to identify energy-efficiency investments for businesses to provide opportunities for economic growth and job creation.

Subd. 2. [GRANT APPLICATION AND REVIEW PROCESS.] Regional development commissions are eligible to apply to the commissioner of public service for grants under this section. Applications must be submitted to the commissioner in the form and manner determined by the commissioner. The applicant must specify a process for identifying business and industrial sectors most appropriate for making changes in energy use. This regional process may include surveys, interviews, and regional forums to identify opportunities for energy-efficiency improvements and the use of new energy resources by businesses.

The applicant must identify and retain the services of an appropriate nonprofit corporation to provide the technical expertise to assess energy-efficiency opportunities in new, existing, and expanding businesses, to analyze the cost-effectiveness of the opportunities, and to facilitate relationships among utilities, energy service providers, businesses, and public agencies that result in cost-effective investments in energy-efficiency improvements that contribute to economic

development. These efforts must be designed to maximize participation in utility conservation and energy efficiency programs and to promote the growth of the energy service industry in the region, which includes engineering firms, distributors, contractors, and other energy service providers.

In each participating region, the regional development commission shall establish a project oversight committee that shall consist of a labor representative, a utility representative, a business representative, and not more than two additional members. This committee shall review and approve the project work plan and proposed activities and energy-efficiency installations undertaken as part of the project.

Subd. 3. [EVALUATION.] Each grant proposal must include a process for evaluating the specific business cost savings resulting from the regional energy-efficiency program activity.

Subd. 4. [REPORT.] The commissioner of public service shall report to the legislature by January 1, 1997, on the business investments in energy-efficiency technology which resulted from the grant program.

Sec. 41. [RADIO TALKING BOOK FOR THE BLIND.]

The commissioner of the department of economic security, the Friends of the Communication Center, the Rehabilitation Advisory Council of the Blind, and consumer organizations of the blind must initiate open public discussions regarding privatization of the Radio Talking Book for the Blind. The discussions must include, but not be limited to, a study of the Radio Talking Book, its statewide coverage, effectiveness of service, staffing, funding, programming, and the relationship between State Services for the Blind, the Friends of the Communication Center, consumer organizations of the blind, and Radio Talking Book consumers.

Sec. 42. [EXTENDED EMPLOYMENT AUDITS.]

The department of economic security, division of vocational rehabilitation, must complete its audit and reconciliation for extended employment programs according to the following schedule:

- (1) fiscal year 1991 by April 14, 1995;
- (2) fiscal year 1992 by July 28, 1995;
- (3) fiscal year 1993 by July 28, 1995; and
- (4) fiscal year 1994 by June 1, 1996.

Sec. 43. [LEGISLATIVE AUDITOR; ECONOMIC RECOVERY GRANT PROGRAM.]

The legislative audit commission is requested to direct the legislative auditor to conduct an evaluation of the economic recovery grant program under Minnesota Statutes, section 116J.873. The evaluation must include an audit of loans and grants made under the program and the criteria used in selecting projects for grants and loans. The legislative auditor shall report the results of the evaluation to the legislature by January 15, 1996.

Sec. 44. [LEGISLATIVE AUDITOR; BUSINESS ASSISTANCE PROGRAMS.]

The legislative audit commission is requested to direct the legislative auditor to conduct an evaluation of business assistance programs of state and local governments and report the results of the evaluation to the legislature by January 15, 1996. The evaluation must include tax increment financing assistance. The evaluation must identify the source of public funds for each project, number of jobs proposed or promised at the time of application and the number of jobs created, estimated number of jobs retained, salary and benefit distribution and dispersal by company for the jobs resulting from the public assistance, the number and name of projects approved, and, if possible, the number of jobs displaced by the assistance.

The salary distribution must show the number of employees in salary per hour bands, one dollar in width, beginning with the minimum wage and proceeding to the maximum salary paid.

Sec. 45. [WASTE WOOD COGENERATION FACILITIES; BIOMASS MANDATE.]

Electric energy produced at a St. Paul district heating and cooling system cogeneration facility which utilizes waste wood as a primary fuel source may also count toward satisfaction of up to 25 megawatts of the amount of biomass energy required by Minnesota Statutes, section 216B.2424, clause (2), provided that:

(1) the cogeneration facility utilizes nonhazardous tree trimmings and other nonhazardous waste wood, including, but not limited to, wood that would otherwise be landfilled or burned in a process not designed to reclaim and use the energy contained therein as a primary fuel source; and

(2) the cogenerated thermal load of such facility replaces a thermal load produced by nonrenewable fuels; and

(3) construction of the cogeneration facility begins after August 1, 1995.

All projects seeking to satisfy the biomass mandate of Minnesota Statutes, section 216B.2424, in whole or in part must be selected in a competitive bidding process or such other selection process approved by the public utilities commission.

Sec. 46. [SUSTAINABLE BIOMASS ENERGY PRODUCTION PROJECT; TECHNICAL ASSISTANCE AND SUPPORT.]

The commissioner of the department of agriculture, in collaboration and consultation with the commissioners of the departments of natural resources, trade and economic development, and public service, shall provide technical assistance and support to the Sustainable Biomass Energy Production Project, a joint effort of the University of Minnesota, the Minnesota Valley Alfalfa Producers, and other public and private interests. The support shall include assistance in analysis of environmental and economic benefits of the proposed project, assistance in developing feasibility and market assessments of the alfalfa-derived coproducts that would be produced by the project, and assistance to aid the project in securing a grant from the United States Department of Energy and the United States Department of Agriculture under the Biomass Power for Rural Development Initiative. The assistance provided under this section shall terminate June 30, 1997.

Sec. 47. [COGENERATION; POWER PLANT SITING ACT EXEMPTION.]

(a) A person who proposes to construct a cogeneration facility which utilizes gasified petroleum coke as its primary fuel source which is derived as a by-product of the oil refining process at an oil refining facility owned by the person proposing the project may identify a single site for the project in its application under Minnesota Statutes, section 116C.57, subdivision 1, instead of the two sites normally required under that subdivision, if the site is in reasonable proximity to the thermal host of the cogeneration plant. For the purposes of this subdivision, the "thermal host" of a cogeneration plant means the facility in which the thermal energy produced by the cogeneration plant is to be utilized. The environmental quality board shall determine whether the cogeneration facility is reasonably proximate to the thermal host with the understanding that the site should be adjacent to or contiguous with the site of the thermal host whenever practicable.

(b) A person who proposes to construct a cogeneration facility as described in paragraph (a) may apply to the environmental quality board to exempt the construction from the requirements of Minnesota Statutes, sections 116C.51 to 116C.69, under the provisions of Minnesota Statutes, section 116C.57, subdivision 5a, notwithstanding the size restrictions found in that subdivision. All other requirements of Minnesota Statutes, section 116C.57, subdivision 5a, apply to an application for an exemption under this subdivision. If the board determines that the proposed site will not have a significant human and environmental impact, the board may exempt the construction of the proposed plant at the proposed site from the requirements of Minnesota Statutes, sections 116C.51 to 116C.69 with any appropriate conditions.

Sec. 48. Minnesota Statutes 1994, section 5.14, is amended to read:

5.14 [TRANSACTION SURCHARGE.]

The secretary of state may impose a surcharge of \$10 \$20 on each transaction involving over-the-counter expedited service, ~~other than simple copying requests~~, that takes place at the office of the secretary of state.

Sec. 49. Minnesota Statutes 1994, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
 - (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
 - (3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and
 - (4) products and services from the Minnesota correctional facilities.
- (b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and
- (3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

~~(d) Supplies, materials, equipment, and utility services to be used or purchased by the iron range resources and rehabilitation board are subject to the competitive bidding requirements of this chapter only as described in section 298.2211, subdivision 3a.~~

Sec. 50. Minnesota Statutes 1994, section 44A.01, subdivision 2, is amended to read:

Subd. 2. [BOARD MEMBERSHIP.] The corporation is governed by a board of directors consisting of:

- (1) four members, representing the international business community, elected to six-year terms by the association of members established under section 44A.023, subdivision 2, clause (5);
- (2) four members, representing the international business community, appointed by the governor, to serve at the governor's pleasure;
- (3) the mayor of St. Paul or the mayor's designee; and
- (4) the commissioners of trade and economic development, agriculture, and commerce; and

(5) three members of the house appointed by the speaker of the house and three members of the senate appointed under the rules of the senate, who serve as nonvoting members. One member from each house must be a member of the minority party of that house. Legislative members are appointed at the beginning of each regular session of the legislature for two-year terms. A legislator who remains a member of the body from which the legislator was appointed may serve until a successor is appointed and qualifies. A vacancy in a legislator member's term is filled for the unexpired portion of the term in the same manner as the original appointment.

Members appointed by the governor must be knowledgeable or experienced in international trade in products or services.

Sec. 51. Minnesota Statutes 1994, section 97A.531, is amended by adding a subdivision to read:

Subd. 7. [POSSESSION OF FISH ON LAKE OF THE WOODS.] While in Minnesota, a person permitted to take and possess fish in Minnesota and licensed by the province of Ontario to take and possess fish may possess the daily limit of fish allowed by the Ontario border water conservation tag, if the fish taken in Ontario were taken on Ontario waters of Lake of the Woods north of Big Island.

Sec. 52. [97A.552] [FISHING REGULATIONS; EXECUTIVE ORDER.]

Subdivision 1. [ORDER AUTHORIZED.] (a) The governor may by executive order:

(1) require that fish that are lawfully taken by angling and possessed in Canada be brought into the state in-the-round;

(2) authorize fish lawfully taken by angling in Canada to be transported within the state or out of the state by a nonresident;

(3) require that a Minnesota resident transporting in Minnesota fish that have been taken by angling in Canada possess a Minnesota angling license; and

(4) require that any advertisement of fishing resorts or facilities in Canada in printed or broadcast form originating or distributed within the state must contain a summary of the requirement of clause (1) and penalty for noncompliance.

(b) An executive order issued under paragraph (a) is effective the day following the filing of a certified copy of it in the office of the secretary of state, and remains in effect until rescinded by order of the governor.

Subd. 2. [PENALTY FOR NONCOMPLIANCE.] A violation of an executive order imposing the requirement in subdivision 1, paragraph (a), clause (1), is a misdemeanor and, in addition to any criminal penalty imposed, fish brought into or transported within the state contrary to that executive order must be confiscated, and a penalty of \$10 for each fish must be imposed.

Sec. 53. Minnesota Statutes 1994, section 116J.552, subdivision 2, is amended to read:

Subd. 2. [CLEANUP COSTS.] "Cleanup costs" or "costs" ~~mean~~ means the ~~cost~~ costs of developing and implementing an ~~approved~~ a response action plan, but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency.

Sec. 54. Minnesota Statutes 1994, section 116J.555, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CYCLES; REPORTING TO LCWM.] (a) In making grants, the commissioner shall establish ~~regular~~ semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each semiannual cycle in which grants are awarded, the commissioner shall report to the legislative commission on waste management the grants awarded and appropriate supporting information describing each grant made. This report must be made within 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative commission on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 55. Minnesota Statutes 1994, section 116J.873, subdivision 3, is amended to read:

Subd. 3. [GRANT EVALUATION.] The commissioner shall accept, review, and evaluate applications for grants to local units of government made in accordance with rules adopted for

economic development grants in the small cities development program. Projects must be evaluated based on the existence of the following conditions:

(1) whether assistance is necessary to provide equity to business owners who do not have the capacity to invest in a project;

(2) whether there is an inability to secure sufficient financing from other public or private sources at market interest rates or on favorable market terms;

(3) whether assistance is necessary to attract out-of-state businesses or to retain existing business within the state; and

(4) whether there are excessive public infrastructure or improvement costs beyond the means of the affected community and private participants in the project.

A grant or loan cannot be made based solely on a finding that the condition in clause (3) exists. A finding must be made that a condition in clause (1), (2), or (4) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 56. Minnesota Statutes 1994, section 116J.873, is amended by adding a subdivision to read:

Subd. 5. [SPORTS FACILITY.] An economic recovery grant or loan cannot be used for a project related to a sports facility. For the purpose of this subdivision, "sports facility" means a building that has a professional sports team as a principal tenant.

Sec. 57. Minnesota Statutes 1994, section 116J.982, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION; CORPORATIONS ELIGIBLE.] (a) The commissioner shall certify a community development corporation under this section if the corporation is a nonprofit corporation incorporated under chapter 317A and meets the other criteria in this subdivision.

(b) The corporation, in its articles of incorporation or bylaws, must designate a low-income area as the specific geographic community within which it will operate. Within cities of the first class, a designated community must be an identifiable neighborhood or a combination of neighborhoods but may not be the entire city. Outside cities of the first class, a designated community may be an identifiable neighborhood or neighborhoods, or home rule charter or statutory cities, townships, unincorporated areas, or combinations of those entities, but may not be an entire economic development region nor cross existing economic development region boundaries except as provided in this section.

(c) The corporation's major purpose, in its articles of incorporation or bylaws, must be economic development, redevelopment, or housing in its designated community.

(d) The corporation must be tax exempt under section 501, paragraph (c), clause (3), of the Internal Revenue Code of 1986, as amended.

(e) The membership and board of directors of the corporation must be representative of the designated community. At least 20 percent of the directors shall have low incomes or shall reside in low-income areas described in subdivision 1, paragraph (e), clause (1), or the low-income subarea described in subdivision 1, paragraph (e), clause (2). At least 60 percent of the directors must be residents of, or be employed in, the designated community. Other directors shall be business, financial, or civic leaders or representatives-at-large of the designated community. At least 40 percent of the directors must reside in the designated community. Notwithstanding the requirements of this paragraph, a corporation which meets board structure requirements for a community housing development corporation under Code of Federal Regulations, title 24, part 92.2, is deemed to meet the board membership requirements of this subdivision.

(f) The corporation shall not discriminate against any persons on the basis of a status protected under chapter 363.

(g) The corporation shall demonstrate that it has or can obtain the technical skills to analyze

projects, that it is familiar with available public and private funding sources and economic development, redevelopment, and housing programs, and that it is capable of packaging economic development, redevelopment, and housing projects.

(h) The corporation must have completed two or more economic development, redevelopment, or housing projects within its designated community during the last three years.

Sec. 58. [116J.991] [PUBLIC ASSISTANCE TO BUSINESS; WAGE AND JOB REQUIREMENTS.]

A business that receives state or local government assistance for economic development or job growth purposes must create a net increase in jobs in Minnesota within two years of receiving the assistance.

The government agency providing the assistance must establish wage level and job creation goals to be met by the business receiving the assistance. A business that fails to meet the goals must repay the assistance to the government agency.

Each government agency must report the wage and job goals and the results for each project in achieving those goals to the department of trade and economic development. The department shall compile and publish the results of the reports for the previous calendar year by June 1 of each year. The reports of the agencies to the department and the compilation report of the department shall be made available to the public.

For the purpose of this section, "assistance" means a grant or loan in excess of \$25,000 or tax increment financing.

Sec. 59. Minnesota Statutes 1994, section 116M.16, subdivision 2, is amended to read:

Subd. 2. [GIFTS; GRANTS; APPROPRIATION.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in a separate account in the state treasury and invested by the state board of investment. The amount deposited, including investment earnings, is appropriated to the board to carry out its duties.

Sec. 60. Minnesota Statutes 1994, section 116M.18, subdivision 4, is amended to read:

Subd. 4. [BUSINESS LOAN CRITERIA.] (a) The criteria in this subdivision apply to loans made under the urban challenge grant program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the urban challenge grant program.

(c) A loan must be used for a project designed to benefit persons in low-income areas through the creation of job or business opportunities for them. ~~Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonpublic money leveraged by the loan.~~ Priority must also be given for loans to the lowest income areas.

(d) The minimum loan is \$5,000 and the maximum is \$150,000.

~~(e) With the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery account.~~

(f) A loan must be matched by at least an equal amount of new private investment.

~~(g)~~ (f) A loan may not be used for a retail development project.

~~(h)~~ (g) The business must agree to work with job referral networks that focus on minority applicants from low-income areas.

Sec. 61. Minnesota Statutes 1994, section 116M.18, is amended by adding a subdivision to read:

Subd. 4a. [MICROENTERPRISE LOAN.] Urban challenge grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

- (1) they may also be made to qualified retail businesses;
- (2) they may be made for a minimum of \$1,000 and a maximum of \$10,000; and
- (3) they do not require a match.

Sec. 62. Minnesota Statutes 1994, section 116M.18, subdivision 5, is amended to read:

Subd. 5. [REVOLVING FUND ADMINISTRATION; RULES.] (a) The board shall establish a minimum interest rate for loans to ensure that necessary loan administration costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in a revolving fund created by the board for challenge grants. The remaining amount of the loan repayment may be deposited in a revolving loan fund created by the nonprofit corporation originating the loan being repaid for further distribution, consistent with the loan criteria specified in subdivision 4.

(c) Administrative expenses of the board and nonprofit corporations with whom the board enters into agreements under subdivision 2 may be paid out of the interest earned on loans and out of interest earned on money invested by the state board of investment under section 116M.16, subdivision 2.

Sec. 63. Minnesota Statutes 1994, section 116N.03, subdivision 2, is amended to read:

Subd. 2. [GIFTS; GRANTS.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in a separate account in the state treasury and invested by the state board of investment. The amount deposited, including investment earnings, is appropriated to the board to carry out its duties.

Sec. 64. Minnesota Statutes 1994, section 116N.08, subdivision 5, is amended to read:

Subd. 5. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

(a) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program.

(b) A loan must be used for a project designed principally to benefit low-income persons through the creation of job or business opportunities for them. ~~Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan.~~

(c) The minimum loan is \$5,000 and the maximum is \$100,000.

~~(d) With the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery account.~~

(e) A loan may not exceed 50 percent of the total cost of an individual project.

~~(f)~~ (e) A loan may not be used for a retail development project.

~~(g)~~ (f) A business applying for a loan, except a microenterprise loan under subdivision 5a, must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Sec. 65. Minnesota Statutes 1994, section 116N.08, is amended by adding a subdivision to read:

Subd. 5a. [MICROENTERPRISE LOANS.] Challenge grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

- (1) they may also be made to qualified retail businesses;
- (2) they may be for a minimum of \$1,000 and a maximum of \$10,000; and
- (3) they do not require a match.

Sec. 66. Minnesota Statutes 1994, section 116N.08, subdivision 6, is amended to read:

Subd. 6. [REVOLVING FUND ADMINISTRATION.] (a) The board shall establish a minimum interest rate for loans to ensure that necessary management costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in the rural rehabilitation revolving fund for challenge grants to the region from which the money was originally designated. The remaining amount of the loan repayment may be deposited in the regional revolving loan fund for further distribution by the regional organization, consistent with the loan criteria specified in subdivisions 4 and 5.

(c) The first \$1,000,000 of revolving loans for each region must be matched by nonstate sources. The matching requirement does not apply to loans made under subdivision 6, clause (b).

(d) Administrative expenses of each organization may be paid out of the interest earned on loans and on interest earned on money invested by the state board of investment under section 116N.03, subdivision 2.

Sec. 67. Minnesota Statutes 1994, section 124.85, is amended by adding a subdivision to read:

Subd. 2c. [PAYMENT OF REVIEW EXPENSES.] The commissioner of public service may charge a school district requesting services under subdivisions 2a and 2b actual costs incurred by the department while conducting the review, or one-half percent of the total identified project cost, whichever is less. Before conducting the review, the commissioner shall notify a school district requesting review services that expenses will be charged to the school district. The commissioner shall bill the school district upon completion of the contract review. Money collected by the commissioner under this subdivision must be deposited in the general fund. A district may include the cost of a review by the commissioner under subdivision 2a in a contract made pursuant to this section.

Sec. 68. Minnesota Statutes 1994, section 175.171, is amended to read:

175.171 [POWERS AND DUTIES, DEPARTMENT OF LABOR AND INDUSTRY.]

The department of labor and industry shall have the following powers and duties:

(1) to exercise all powers and perform all duties of the department consistent with the provisions of this chapter;

(2) to adopt reasonable and proper rules relative to the exercise of its powers and duties, and proper rules to govern its proceedings and to regulate the mode and manner of all investigations and hearings, which shall not be effective until ten days after their adoption, and a copy of these rules shall be delivered to every citizen making application therefor;

(3) to collect, collate, and publish statistical and other information relating to the work under its jurisdiction, to keep records and to make public reports in its judgment necessary; and on or before October 1 in each even-numbered year the department shall report its doings, conclusions, and recommendations to the governor, which report shall be printed and distributed by November 15 of each even-numbered year to the legislature pursuant to section 3.195, and otherwise as the department may direct;

(4) to establish and maintain branch offices as needed for the conduct of its affairs; and

(5) to provide direct computer access to and electronic data interchange of public and nonpublic

workers' compensation data and other data maintained by the department and to charge a reasonable fee for the access and electronic data interchange, except that in no circumstances may a fee be charged an employee or the employee's attorney seeking access and data interchange to information about the employee's claim or circumstances. Notwithstanding any other law to the contrary, the fee receipts for providing the computer access to and electronic data interchange of data shall be deposited in the special compensation fund. Access to and electronic data interchange of nonpublic data shall be only as authorized by the subject of the data, as authorized in chapter 13, or as otherwise authorized by law.

Sec. 69. Minnesota Statutes 1994, section 176.011, subdivision 7a, is amended to read:

Subd. 7a. (1) [COMPENSATION JUDGE.] "Compensation judge" means a workers' compensation judge at the office of administrative hearings.

(2) [CALENDAR JUDGE.] "Calendar judge" means a workers' compensation judge at the office of administrative hearings.

(3) [SETTLEMENT JUDGE.] "Settlement judge" means a compensation judge at the department of labor and industry. Settlement judges may conduct settlement conferences, issue summary decisions, approve settlements and issue awards thereon, determine petitions for attorney fees and costs, and make other determinations, decisions, orders, and awards as may be delegated to them by the commissioner. Settlement judges must be learned in the law.

Sec. 70. Minnesota Statutes 1994, section 176.231, is amended by adding a subdivision to read:

Subd. 12. [REPORTS; ELECTRONIC MONITORING.] Beginning July 1, 1995, the commissioner shall monitor electronically all reports of injury, all payments for reported injuries, and compliance with all reporting and payment timelines.

Sec. 71. [176.445] [SETTLEMENT JUDGES.]

Notwithstanding section 176.011, subdivision 27, any provision in chapter 175 setting out general power of the commissioner, or any other law to the contrary:

(1) The chief settlement judge at the department is the administrator and supervisor of all dispute resolute functions and personnel, and reports directly to the commissioner.

(2) The commissioner may delegate authority only to settlement judges to make determinations under the procedure in sections 176.106, 176.238, and 176.239 and to approve settlements of claims under section 176.521. A settlement judge must preside at all workers' compensation settlement conferences conducted at the department.

Sec. 72. [178.20] [LABOR EDUCATION ADVANCEMENT GRANT PROGRAM.]

The commissioner shall establish the labor education advancement grant program for the purpose of facilitating the participation of minorities and women in apprenticeable trades and occupations. The commissioner shall award grants to community-based organizations serving the targeted populations on a competitive request-for-proposal basis. Interested organizations shall apply for the grants in a form prescribed by the commissioner. As part of the application process, applicants must provide a statement of need for the grant, a description of the targeted population and apprenticeship opportunities, a description of activities to be funded by the grant, evidence supporting the ability to deliver services, information related to coordinating grant activities with other employment and training programs, identification of matching funds, a budget, and performance objectives. Each submitted application shall be evaluated for completeness and effectiveness of the proposed grant activity.

Sec. 73. Minnesota Statutes 1994, section 207A.01, is amended to read:

207A.01 [PRESIDENTIAL PRIMARY.]

A presidential primary must be held on the first Tuesday in April of each year after 1999 in which a president and vice president of the United States are to be nominated and elected, at which the voters of this state may express their preference among the candidates of the major political

party of their choice, for that party's nomination to be president of the United States or may vote for uncommitted delegates to the national party convention. For the purposes of sections 207A.01 to 207A.07, "political party" or "party" means a political party as defined in section 200.02, subdivision 7.

Sec. 74. Minnesota Statutes 1994, section 216B.16, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF PROPOSED RATES; HEARING; FINAL DETERMINATION DEFINED.] (a) Whenever there is filed with the commission a schedule modifying or resulting in a change in any rates then in force as provided in subdivision 1, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected utility a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date except as provided in this subdivision or subdivision 1a. During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative division of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the utility's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; except if:

(1) an extension of the procedural schedule has been granted under subdivision 1a, in which case the schedule of rates is deemed to have been approved by the commission on the last day of the extended period of suspension; or

(2) a settlement has been submitted to and rejected by the commission and the commission does not make a final determination concerning the schedule of rates, the schedule of rates is deemed to have been approved 60 days after the initial or, if applicable, the extended period of suspension.

(b) If the commission finds that it has insufficient time during the suspension period to make a final determination of a case involving changes in general rates because of the need to make a final ~~determinations~~ determination of ~~other another~~ previously filed ~~eases case~~ case involving changes in general rates under this section or section 237.075, the commission may extend the suspension period to the extent necessary to allow itself 20 working days to make the final determination after it has made a final ~~determinations~~ determination in the previously filed ~~eases case~~ case. An extension of the suspension period under this paragraph does not alter the setting of interim rates under subdivision 3.

(c) For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 75. Minnesota Statutes 1994, section 216B.16, is amended by adding a subdivision to read:

Subd. 12a. [EXEMPTION FOR SMALL ELECTRIC UTILITY FRANCHISE.] (a) An electric utility, operating as such in a bordering state and having fewer than 200 customers in Minnesota, is exempt from this section if the utility:

(1) charges Minnesota customers the same rates as those charged to customers in the bordering state;

(2) provides 60-day notice to the commission of rate increases for its Minnesota customers;

- (3) provides individual, written notice of rate increases to its Minnesota customers;
- (4) provides the commission with schedules of rates and tariffs charged in the bordering state and revenues by class under the former and proposed rates; and
- (5) maintains an up-to-date tariff book with the department.
- (b) The commission may initiate an investigation under section 216B.17, on its own motion or upon customer complaint with respect to the utility's rates and practices in Minnesota.

Sec. 76. Minnesota Statutes 1994, section 216B.2424, is amended to read:

216B.2424 [BIOMASS POWER MANDATE.]

A public utility, as defined in 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) by December 31, 1998, 50 megawatts of electric energy installed capacity generated by farm grown closed-loop biomass scheduled to be operational by December 31, 2001; and (2) by December 31, 1998, an additional 75 megawatts of installed capacity so generated scheduled to be operational by December 31, 2002. Of the total 125 megawatts of biomass electric energy installed capacity required under this section, no more than 75 megawatts may be provided by a single project. Of the 75 megawatts of biomass electric energy installed capacity required under clause (2), no more than 25 megawatts of this capacity may be provided by a St. Paul district heating and cooling system cogeneration facility utilizing waste wood as a primary fuel source. The public utility must accept and consider on an equal basis with other proposals a proposal to satisfy the requirements of this section that includes a project that exceeds the megawatt capacity requirements of either clause (1) or (2) and that proposes to sell the excess capacity to the public utility or to other purchasers.

Sec. 77. Minnesota Statutes 1994, section 216B.27, subdivision 4, is amended to read:

Subd. 4. **[DEADLINE TO GRANT APPLICATION.]** Any application for a rehearing not granted within ~~20~~ 60 days from the date of filing thereof, shall be deemed denied.

Sec. 78. Minnesota Statutes 1994, section 237.701, subdivision 1, is amended to read:

Subdivision 1. **[FUND CREATED; AUTHORIZED EXPENDITURES.]** The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

- (1) reimbursement to telephone companies for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);
- (2) reimbursement of the administrative expenses of the department of human services to implement sections 237.69 to 237.71, not to exceed \$314,000 annually; and
- (3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually; and
- (4) reimbursement of the statewide indirect cost of the commission.

Sec. 79. Minnesota Statutes 1994, section 245A.11, subdivision 2, is amended to read:

Subd. 2. **[PERMITTED SINGLE-FAMILY RESIDENTIAL USE.]** Residential programs with a licensed capacity of six or fewer persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations, except that a residential program whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use. Programs otherwise allowed under this subdivision shall not be prohibited by operation of restrictive covenants or similar restrictions, regardless of when entered into, which cannot be met because of the nature of the licensed program, including provisions which require the home's occupants be related, and that the home must be occupied by the owner, or similar provisions.

Sec. 80. Minnesota Statutes 1994, section 268A.01, subdivision 4, is amended to read:

Subd. 4. [VOCATIONAL REHABILITATION SERVICES.] "Vocational rehabilitation services" means those services and goods so defined in the federal Rehabilitation Act of 1973, as amended, and section 268A.03, clause (b).

Sec. 81. Minnesota Statutes 1994, section 268A.01, subdivision 5, is amended to read:

Subd. 5. [PERSON WITH A DISABILITY.] "Person with a disability" means a person who because of a substantial physical, mental, or emotional disability ~~or dysfunction~~ requires special services in order to enjoy the benefits of society.

Sec. 82. Minnesota Statutes 1994, section 268A.01, subdivision 6, is amended to read:

Subd. 6. [REHABILITATION FACILITY.] "Rehabilitation facility" means an entity which meets the definition of community rehabilitation facility program in the federal Rehabilitation Act of 1973, as amended; ~~However, for the purposes of sections 268A.03, paragraph (a), 268A.06, 268A.08, and 268A.09~~ 268A.15, rehabilitation facility means an entity which is operated for the primary purpose of ~~providing remunerative or facilitating employment to those for persons with a severe disability who, as a result of physical or mental disability, are unable to participate in competitive employment. A rehabilitation facility shall supply such employment (1) as a step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market, or (2) during such time as employment opportunities for them in the competitive labor market do not exist.~~

Sec. 83. Minnesota Statutes 1994, section 268A.01, subdivision 9, is amended to read:

Subd. 9. [~~LONG TERM CENTER-BASED EMPLOYMENT PROGRAM SUBPROGRAM.~~] "~~Long-term Center-based employment program subprogram~~" means ~~a program employment which provides paid work on the premises of a rehabilitation facility and training services or other services necessary for employment on or off the premises and which does not include work activity of the rehabilitation facility.~~

Sec. 84. Minnesota Statutes 1994, section 268A.01, subdivision 10, is amended to read:

Subd. 10. [EXTENDED EMPLOYMENT PROGRAMS PROGRAM.] "~~Extended employment programs program~~" means ~~the following programs which may be offered by a rehabilitation facility: center-based employment and supported employment subprograms.~~

~~(1) long term employment program;~~

~~(2) work activity program;~~

~~(3) work component program; and~~

~~(4) supported employment program.~~

Sec. 85. Minnesota Statutes 1994, section 268A.03, is amended to read:

268A.03 [POWERS AND DUTIES.]

The commissioner shall:

(a) certify the rehabilitation facilities to offer extended employment programs, grant funds to the extended employment programs, and perform the duties as specified in section ~~268A.09~~ 268A.15;

(b) provide vocational rehabilitation services to persons with disabilities in accordance with the state plan for vocational rehabilitation. These services include but are not limited to: diagnostic and related services incidental to determination of eligibility for services to be provided, including medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and prosthetic and orthotic devices, all of which shall be obtained from appropriate established agencies; transportation; occupational and business licenses

or permits, customary tools and equipment; maintenance; books, supplies, and training materials; initial stocks and supplies; placement; on-the-job skill training and time-limited postemployment services leading to supported employment; acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs, or services rendered by severely disabled persons. Persons with a disability are entitled to free choice of vendor for any medical, dental, prosthetic, or orthotic services provided under this paragraph;

(c) expend funds and provide technical assistance for the establishment, improvement, maintenance, or extension of public and other nonprofit rehabilitation facilities or centers;

(d) maintain a contractual or regulatory relationship with the United States as authorized by the Social Security Act, as amended. Under this relationship, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to a class or classes of individuals in this state that is designated in the agreement at the state's request. It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;

(e) provide an in-service training program for division of rehabilitation services employees by paying for its direct costs with state and federal funds;

(f) conduct research and demonstration projects; provide training and instruction, including establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to persons with a disability and the general public; and provide technical assistance relating to vocational rehabilitation and independent living;

(g) receive and disburse pursuant to law money and gifts available from governmental and private sources including, but not limited to, the federal Department of Education and the Social Security Administration, for the purpose of vocational rehabilitation or independent living;

(h) design all state plans for vocational rehabilitation or independent living services required as a condition to the receipt and disbursement of any money available from the federal government;

(i) cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation or independent living. Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation or independent living programs;

(j) enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies, or facilities with respect to providing vocational rehabilitation or independent living services;

(k) take other actions required by state and federal legislation relating to vocational rehabilitation, independent living, and disability determination programs;

(l) hire staff and arrange services and facilities necessary to perform the duties and powers specified in this section;

(m) adopt, amend, suspend, or repeal rules necessary to implement or make specific programs that the commissioner by sections 268A.01 to ~~268A.10~~ 268A.15 is empowered to administer; and

(n) contact any person with traumatic brain injury or spinal cord injury reported by the commissioner of health under section 144.664, subdivision 3, and notify the person, or the person's parent or guardian if the person is a minor or is mentally incompetent, of services available to the person, eligibility requirements and application procedures for public programs, and other information the commissioner believes may be helpful to the person to make appropriate use of available rehabilitation services.

Sec. 86. Minnesota Statutes 1994, section 268A.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Any city, town, county, nonprofit corporation, state regional

center, or any combination thereof, may apply to the commissioner for assistance in establishing or operating a community rehabilitation facility. Application for assistance shall be on forms ~~supplied~~ prescribed by the commissioner. Each applicant shall annually submit to the commissioner its plan and budget for the next fiscal year. No applicant shall be eligible for a grant hereunder unless its plan and budget have been approved by the commissioner.

Sec. 87. Minnesota Statutes 1994, section 268A.07, is amended to read:

268A.07 [REQUIREMENTS FOR CERTIFICATION.]

Subdivision 1. [BENEFITS.] A rehabilitation facility must, as a condition for receiving program certification, provide employees in ~~a long-term center-based employment program~~ with personnel benefits prescribed in rules adopted by the commissioner of the department of economic security.

Subd. 2. [GRIEVANCE PROCEDURE.] A rehabilitation facility must, as a condition for receiving program certification, provide to employees in ~~a long-term center-based employment program~~ subprograms, a grievance procedure which has as its final step provisions for final and binding arbitration.

Sec. 88. Minnesota Statutes 1994, section 268A.08, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT; MEMBERSHIP.] Every city, town, county, nonprofit corporation, or combination thereof establishing a rehabilitation facility shall appoint a rehabilitation facility board of no fewer than nine members before becoming eligible for the assistance provided by sections 268A.06 to ~~268A.09~~ 268A.15. When any city, town, or county singly establishes such a rehabilitation facility, the board shall be appointed by the chief executive officer of the city or the chair of the governing board of the county or town. When any combination of cities, towns, counties, or nonprofit corporations establishes a rehabilitation facility, the chief executive officers of the cities, nonprofit corporations and the chairs of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation facility, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a person with a disability. One-third to one-half of the board shall be representative of industry or business. The remaining members should be representative of lay associations for persons with a disability, labor, the general public, and education, welfare, medical, and health professions. Nothing in sections 268A.06 to ~~268A.09~~ 268A.15 shall be construed to preclude the appointment of elected or appointed public officials or members of the board of directors of the sponsoring nonprofit corporation to the board, so long as representation described above is preserved. If a state regional center establishes an extended employment program, the chief executive officer of the state regional center shall perform the functions of the rehabilitation facility board as prescribed in subdivision 2. The regional center is not required to establish a separate governing body as a board. The state regional center shall establish an advisory committee following the membership representation requirements of this subdivision. If a county establishes an extended employment program and manages the program with county employees, the governing board shall be the county board of commissioners and other provisions of this chapter pertaining to membership on the governing board do not apply.

Sec. 89. Minnesota Statutes 1994, section 268A.08, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] Subject to the provisions of sections 268A.06 to ~~268A.09~~ 268A.15 and the rules of the department, each rehabilitation facility board shall:

(a) review and evaluate the need for extended employment programs offered by the rehabilitation facility provided pursuant to sections 268A.06 to ~~268A.09~~ 268A.15 and report thereon to the commissioner and, when indicated, the public, together with recommendations for additional extended employment programs;

(b) recruit and promote local financial support for the extended employment programs from private sources such as community chests, business, industrial and private foundations, voluntary agencies and other lawful sources and promote public support for municipal and county appropriations;

(c) promote, arrange, and implement working agreements with other educational and social service agencies both public and private and any other allied agencies;

(d) advise the commissioner on the adoption and implementation of policies to stimulate effective community relations;

(e) review the annual plan and budget and make recommendations thereon;

(f) when ~~the~~ an extended employment program offered by the rehabilitation facility is certified, act as the administrator of the rehabilitation facility and its ~~programs~~ subprograms for purposes of this chapter.

Sec. 90. Minnesota Statutes 1994, section 268A.13, is amended to read:

268A.13 [EMPLOYMENT SUPPORT SERVICES FOR PERSONS WITH MENTAL ILLNESS.]

The commissioner of economic security, in cooperation with the commissioner of human services, shall develop a statewide program of grants to provide services for persons with mental illness in supported employment. Projects funded under this section must: (1) assist persons with mental illness in obtaining and retaining employment; (2) emphasize individual community placements for clients; (3) ensure interagency collaboration at the local level between vocational rehabilitation field offices, county service agencies, community support programs operating under the authority of section 245.4712, and community rehabilitation providers, in assisting clients; and (4) involve clients in the planning, development, oversight, and delivery of support services. Project funds may not be used to provide services in segregated settings such as ~~long-term~~ the center-based employment or work activity programs subprograms as defined in section 268A.01.

The commissioner of economic security, in consultation with the commissioner of human services, shall develop a request for proposals which is consistent with the requirements of this section and which specifies the types of services that must be provided by grantees. Projects shall be funded for state fiscal year 1995 and priority for funding shall be given to organizations with experience in developing innovative employment support services for persons with mental illness. Each applicant for funds under this section shall submit an evaluation protocol as part of the grant application.

Sec. 91. [268A.15] [EXTENDED EMPLOYMENT PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The department of economic security shall administer this section through the division of rehabilitation services. The department may employ staff as required to administer this section and may accept and receive funds from nonstate sources for the purpose of implementing this section.

Subd. 2. [PURPOSE.] The purpose of the extended employment program is to provide the ongoing services necessary to maintain and advance the employment of persons with severe disabilities. Employment under this section must encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence.

Subd. 3. [RULE AUTHORITY.] The commissioner shall adopt rules on an individual's eligibility for the extended employment program, the certification of rehabilitation facilities, and the methods, criteria, and units of distribution for the allocation of state grant funds to certified rehabilitation facilities. In determining the allocation, the commissioner must consider the economic conditions of the community and the performance of rehabilitation facilities relative to their impact on the economic status of workers in the extended employment program.

Subd. 4. [EVALUATION.] The commissioner of economic security shall evaluate the extended employment program to determine whether the purpose of extended employment as defined in subdivision 2 is being achieved. The evaluation must include an assessment of whether workers in the extended employment program are satisfied with their employment. A written report of this evaluation must be prepared at least every two years and made available to the public.

Subd. 5. [TECHNICAL ASSISTANCE.] The commissioner of economic security shall provide technical assistance within available resources to rehabilitation facilities.

Subd. 6. [GRANTS.] The commissioner may provide innovation and expansion grants to rehabilitation facilities to encourage the development, demonstration, or dissemination of innovative business practices, training programs, and service delivery methods that:

(1) expand and improve employment opportunities for persons with severe disabilities who are unserved or underserved by the extended employment program; and

(2) increase the ability of persons with severe disabilities to use new and emerging technologies in employment settings, and foster the capacity of rehabilitation facilities and employers to promote the integration of individuals with severe disabilities into the workplace and the mainstream of community life.

The grants must require collaboration at the local level among vocational rehabilitation field offices, county social service and planning agencies, rehabilitation facilities, and employers.

Subd. 7. [WITHDRAWAL OF FUNDS.] The commissioner may withdraw funds from a rehabilitation facility that is not being administered in accordance with its approved plan and budget unless a modified plan and budget is submitted to and approved by the commissioner, and implemented within a reasonable time. The commissioner may withdraw funds from a rehabilitation facility not being administered according to department rules, or not meeting mandatory standards for certification, unless a plan bringing the rehabilitation facility into compliance with the rules and standards is submitted to and approved by the commissioner, and implemented within a reasonable time. Funds withdrawn shall, after reasonable notice and opportunity for hearing, be reallocated by the commissioner to other rehabilitation facilities.

Sec. 92. Minnesota Statutes 1994, section 298.22, subdivision 2, is amended to read:

Subd. 2. There is hereby created the iron range resources and rehabilitation board, consisting of 11 members, five of whom shall be state senators appointed by the subcommittee on committees of the rules committee of the senate, and five of whom shall be representatives, appointed by the speaker of the house of representatives, their terms of office to commence on May 1, 1943, and continue until January 3rd, 1945, or until their successors are appointed and qualified. Their successors shall be appointed each two years in the same manner as the original members were appointed, in January of every second year, commencing in January, 1945. The 11th member of said board shall be the commissioner of natural resources of the state of Minnesota. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a tax relief area as defined in section 273.134. All expenditures and projects made by the commissioner of iron range resources and rehabilitation shall first be submitted to said iron range resources and rehabilitation board ~~which shall recommend for approval by at least eight board members or disapproval or modification of expenditures and projects for rehabilitation purposes as provided by this section,~~ and the method, manner, and time of payment of all said funds proposed to be disbursed shall be first approved or disapproved by said board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even numbered year. The expenses of said board shall be paid by the state of Minnesota from the funds raised pursuant to this section.

Sec. 93. Minnesota Statutes 1994, section 298.223, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year ~~prepare~~ submit to the board a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon ~~recommendation~~ approval by at least eight members of the iron range resources and rehabilitation board, this list shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

Sec. 94. [383B.79] [MULTIJURISDICTIONAL PROGRAM.]

Subdivision 1. [PROGRAM CREATED.] A multijurisdictional reinvestment program involving Hennepin county, the cities of Minneapolis, Brooklyn Center, and other interested statutory or home rule charter cities in Hennepin county, the Minneapolis park board, and the suburban Hennepin county park district is created. The multijurisdictional program must include plans for housing rehabilitation and removals, industrial polluted land cleanup, water ponding, environmental cleanup, community corridor connections, corridor planning, creation of green space, and job creation.

Subd. 2. [USE OF APPROPRIATIONS.] Up to one-half of any state appropriation for the program created in subdivision 1 may be used by the county as a grant to the cities of Minneapolis and Brooklyn Center to provide assistance in a capital nature for constructing public infrastructure improvements in order to further economic development.

Subd. 3. [MATCHING.] Government jurisdictions participating in the reinvestment program planning and projects must match any state contribution on at least a dollar-for-dollar basis in the aggregate. Government jurisdictions, however constituted, may use any funds under their control for the match requirement.

Sec. 95. Minnesota Statutes 1994, section 462.357, subdivision 7, is amended to read:

Subd. 7. [PERMITTED SINGLE FAMILY USE.] A state licensed residential facility serving six or fewer persons, a licensed day care facility serving 12 or fewer persons, and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445 to serve 14 or fewer children shall be considered a permitted single family residential use of property for the purposes of zoning, except that a residential facility whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use.

Sec. 96. Minnesota Statutes 1994, section 462A.05, subdivision 14, is amended to read:

Subd. 14. [REHABILITATION LOANS.] It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. Except for accessibility improvements under this subdivision 14d and subdivisions 14a and 24, clause (1), no secured loan for rehabilitation of any property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed its market value, as determined by the agency. No loan under this subdivision shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a

hospital, skilled nursing facility, or intermediate care facility for persons with mental retardation or related conditions;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

Sec. 97. Minnesota Statutes 1994, section 462A.05, subdivision 15c, is amended to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] (a) It may make or purchase loans or grants for the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil on the property of residential buildings occupied by low- and moderate-income persons. Hazardous levels are as determined by the department of health or the pollution control agency. The agency must establish ~~grant~~ criteria for a residential lead paint and lead contaminated soil abatement program, including the terms of loans and grants under this section, a maximum amount for loans or grants, eligible ~~owners borrowers or grantees~~, eligible contractors, and eligible buildings. The agency may make grants to cities, local units of government, registered lead abatement contractors, and nonprofit organizations for the purpose of administering a residential lead paint and contaminated lead soil abatement program. ~~No loan or grant may be made for lead paint abatement for a multifamily building which contains substantial housing maintenance code violations unless the violations are being corrected in conjunction with receipt of the loan or grant under this section.~~ The agency must establish standards for the relocation of families where necessary and the payment of relocation expenses. To the extent possible, the agency must coordinate loans and grants under this section with existing housing programs.

The agency, in consultation with the department of health, shall report to the legislature by January 1993 1996 on the costs and benefits of subsidized lead abatement and the extent of the childhood lead exposure problem. The agency shall review the effectiveness of its existing loan and grant programs in providing funds for residential lead abatement and report to the legislature with examples, case studies and recommendations.

(b) The agency may also make grants to eligible organizations, as defined in section 268.92, subdivision 1, for the purposes of section 268.92.

Sec. 98. Minnesota Statutes 1994, section 462A.05, subdivision 30, is amended to read:

Subd. 30. [AGENCY INVESTMENT IN CERTAIN NOTES AND MORTGAGES.] It may invest in, purchase, acquire, and take assignments of existing notes and mortgages not closed for the purpose of sale to the agency, from lenders that are nonprofit or nonprofit entities, as defined in the agency's rules, provided that: (1) the notes and mortgages evidence loans for the construction, rehabilitation, purchase, improvement, or refinancing of residential housing intended for occupancy and occupied by low- and moderate-income persons and families; and (2) the loan sellers utilize the funds derived from the purchases in accordance with the authority contained in section 462A.07, subdivision 12, for the purposes and objectives of sections 462A.02, 462A.03, 462A.05, 462A.07, and 462A.21; and (3) the purchases are subject to security and limitations on the costs and expenses of the loan sellers incidental to the utilization of the purchase proceeds as the agency may determine. The proceeds of the purchases authorized by this subdivision shall not be subject to the limitations of section 462A.21, subdivisions 4k, 6, 9, and 12. In addition, it may invest in, purchase, acquire, and take assignments of existing federally insured mortgages for multifamily housing, not closed for the purpose of sale to the agency, from any banking institution, savings and loan association, or other lender or financial intermediary approved by the members; provided that the multifamily housing is benefited by contracts for federal housing assistance payments.

Sec. 99. Minnesota Statutes 1994, section 462A.201, subdivision 2, is amended to read:

Subd. 2. [LOW-INCOME HOUSING.] (a) The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units and homes for ownership. No more than 20 percent of available funds may be used for home ownership projects.

(b) The A rental or limited equity cooperative housing project must meet one of the following income tests:

(1) ~~at least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2; or~~

(2) all of the units funded by the housing trust fund account must be used for the benefit of persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2.

The median family income may be adjusted for families of five or more.

(c) Homes for ownership must be owned or purchased by persons and families whose income does not exceed 50 percent of the metropolitan area median income, adjusted for family size.

(d) In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.

Sec. 100. Minnesota Statutes 1994, section 462A.202, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL HOUSING.] The agency may make loans with or without interest to cities and counties to finance the acquisition, improvement, and rehabilitation of existing housing properties or the acquisition, site improvement, and development of new properties for the purposes of providing transitional housing, upon terms and conditions the agency determines. Preference must be given to cities that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 101. Minnesota Statutes 1994, section 462A.202, subdivision 6, is amended to read:

Subd. 6. [NEIGHBORHOOD LAND TRUSTS.] The agency may make loans with or without interest to cities and counties to finance the capital costs of a land trust project undertaken pursuant to sections 462A.30 and 462A.31. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 102. Minnesota Statutes 1994, section 462A.204, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The agency may establish a family homeless prevention and assistance program to assist families who are homeless or are at imminent risk of homelessness. The term "family" may include single individuals. The agency may make grants to develop and implement family homeless prevention and assistance projects under the program. For purposes of this section, "families" means families and persons under the age of 18 22.

Sec. 103. Minnesota Statutes 1994, section 462A.205, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND PAYMENT OF RENT ASSISTANCE.] (a) This subdivision applies to both the voucher option and the project-based voucher option.

(b) Within the limits of available appropriations, eligible families may receive monthly rent assistance for a 36-month period starting with the month the family first receives rent assistance under this section. The amount of the family's portion of the rental payment is equal to at least 30 percent of gross income.

(c) The rent assistance must be paid by the local housing organization to the property owner.

(d) Subject to the limitations in paragraph (e), the amount of rent assistance is the difference between the rent and the family's portion of the rental payment.

(e) In no case:

(1) may the amount of monthly rent assistance be more than \$250 for housing located within the metropolitan area, as defined in section 473.121, subdivision 2, or more than \$200 for housing located outside of the metropolitan area;

(2) may the owner receive more rent for assisted units than for comparable unassisted units; nor

(3) may the amount of monthly rent assistance be more than the difference between the family's portion of the rental payment and the fair market rent for the unit as determined by the Department of Housing and Urban Development.

Sec. 104. Minnesota Statutes 1994, section 462A.206, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION.] The agency may make grants or loans to cities for the purposes of construction, acquisition, rehabilitation, demolition, permanent financing, refinancing, ~~or~~ gap financing of single or multifamily housing, or full cycle home ownership services, as defined in section 462A.209, subdivision 2. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. The agency shall take into account the amount of money that the city leverages from other sources in awarding grants and loans. Cities may use the grants and loans to establish revolving loan funds and to provide grants and loans to eligible mortgagors. The city may determine the terms and conditions of the grants and loans. An agency loan may only be used by a city to make loans.

Sec. 105. Minnesota Statutes 1994, section 462A.206, subdivision 5, is amended to read:

Subd. 5. [OTHER ELIGIBLE ORGANIZATIONS.] A nonprofit organization is eligible to apply directly for grants or loans from the community rehabilitation fund account if the city within which it is located enacts a resolution authorizing the organization to apply on the city's behalf, except that a nonprofit organization providing full cycle home ownership services may apply directly to the agency.

Sec. 106. [462A.209] [HOME OWNERSHIP ASSISTANCE.]

Subdivision 1. [FULL CYCLE HOME OWNERSHIP SERVICES.] The full cycle home ownership services program shall be used to fund nonprofit organizations and political subdivisions providing, building capacity to provide, or supporting full cycle lending for home ownership to low and moderate income home buyers. The purpose of the program is to encourage private investment in affordable housing and collaboration of nonprofit organizations and political subdivisions with each other and private lenders in providing full cycle lending services.

Subd. 2. [DEFINITION.] "Full cycle home ownership services" means supporting eligible home buyers and owners through all phases of purchasing and keeping a home, by providing prepurchase home buyer education, prepurchase counseling and credit repair, prepurchase property inspection and technical and financial assistance to buyers in rehabilitating the home, postpurchase and mortgage default counseling, postpurchase assistance with home maintenance, entry cost assistance, and access to flexible loan products.

Subd. 3. [ELIGIBILITY.] The agency shall establish eligibility criteria for nonprofit organizations and political subdivisions to receive funding under this section. The eligibility criteria must require the nonprofit organization or political subdivision to provide, to build capacity to provide, or support full cycle home ownership services for eligible home buyers. The agency may fund a nonprofit organization or political subdivision that will provide full cycle home ownership services by coordinating with one or more other organizations that will provide specific components of full cycle home ownership services. The agency may make exceptions to providing all components of full cycle lending if justified by the application. If there are more applicants requesting funding than there are funds available, the agency shall award the funds on a competitive basis and also assure an equitable geographic distribution of the available funds. The eligibility criteria must require the nonprofit organization or political subdivision to have a demonstrated involvement in the local community and to target the housing affordability needs of the local community. Partnerships and collaboration with innovative, grass roots, or

community-based initiatives shall be encouraged. The agency shall give priority to nonprofit organizations and political subdivisions that provide matching funds. Applicants for funds under section 462A.057 may also apply funds under this program.

Subd. 4. [ENTRY COST HOME OWNERSHIP OPPORTUNITY PROGRAM.] The agency may establish an entry cost home ownership opportunity program, on terms and conditions it deems advisable, to assist individuals with downpayment and closing costs to finance the purchase of a home.

Sec. 107. [462A.2091] [CONTRACT FOR DEED GUARANTEE ACCOUNT.]

Subdivision 1. [CREATION.] The contract for deed guarantee account is created as a separate account in the housing development fund. Money in the account is appropriated to the agency for the purposes of this section. The account consists of money appropriated to the account and transferred from other sources and all earnings from money in the account.

Subd. 2. [ACCOUNT USES.] Money in the account may be used to create a guarantee fund for the refinancing of contracts for deed.

Subd. 3. [ELIGIBLE PROPERTY.] Contracts for deed eligible for refinancing with guarantee fund assistance must be for the purchase of an owner-occupied single-family or duplex structure. In a city of the first class in the metropolitan area, as defined in section 473.121, subdivision 2, eligible properties must be located in an area in which at least one census tract meets at least three of the following four criteria:

(1) at least 70 percent of the housing structures were built before 1960;

(2) at least 60 percent of the single-family housing is owner-occupied;

(3) the median market value of the area's owner-occupied housing, as recorded in the most recent federal decennial census, is not more than 100 percent of the purchase price limit for existing homes eligible for purchase in the area under the agency's home mortgage loan program; and

(4) between 1980 and 1990, the rate of owner occupancy of residential properties in the area declined by at least five percent, or at least 80 percent of the residential properties in the area are rental properties.

The area must include eight blocks in any direction from the census tract. Priority must be given for property located in an area that meets all four criteria.

Sec. 108. [462A.2097] [RENTAL HOUSING.]

The agency may establish a rental housing assistance program for persons of low income or for persons with a mental illness or families that include an adult family member with a mental illness. Rental assistance may be in the form of direct rental subsidies for housing for persons or families with incomes of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for families of five or more. Housing for the mentally ill must be operated in coordination with social service providers who provide services requested by tenants. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Financial assistance provided under this section must be in the form of vendor payments whenever possible.

Sec. 109. Minnesota Statutes 1994, section 462A.21, subdivision 3b, is amended to read:

Subd. 3b. [CAPACITY BUILDING GRANTS.] It may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including the creation or preservation of affordable housing, prepurchase and postpurchase counseling and associated administrative costs, and the linking of supportive services to the housing. The agency shall adopt rules specifying the eligible uses of grant money. Funding priority must be given to those applicants that include low-income persons in their membership,

have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions. Grants under this subdivision may be made only with specific appropriations by the legislature.

Sec. 110. Minnesota Statutes 1994, section 462A.21, subdivision 8, is amended to read:

Subd. 8. [HOME OWNERSHIP ASSISTANCE FUND.] It may establish a home ownership assistance fund, on terms and conditions it deems advisable, to assist persons and families of low and moderate income in the purchase of affordable residential housing and may use the funds to provide loans, additional security for eligible loans or to pay costs associated with or provide additional security for bonds issued by the agency.

Sec. 111. Minnesota Statutes 1994, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. [FAMILY RENTAL HOUSING.] It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 60 80 percent of area state median income. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.

Sec. 112. Minnesota Statutes 1994, section 462A.21, subdivision 13, is amended to read:

Subd. 13. [ACCESSIBILITY PROGRAMS.] It may spend money for the ~~purpose~~ purposes of section 462A.05, ~~subdivision subdivisions~~ subdivisions 14, 14a, and 24, and may pay the costs and expenses necessary and incidental to the development and operation of the programs authorized in ~~that subdivision~~ those subdivisions.

Sec. 113. Minnesota Statutes 1994, section 462A.21, subdivision 21, is amended to read:

Subd. 21. [COMMUNITY REHABILITATION PROGRAM.] The agency or its grantees may spend money for the purposes of the community rehabilitation program authorized under section 462A.206 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 114. Minnesota Statutes 1994, section 462A.21, is amended by adding a subdivision to read:

Subd. 22. [CONTRACT FOR DEED GUARANTEE PROGRAM.] It may expend money for the purposes of section 462A.2091 and may pay the costs and expenses necessary and incidental to the development and operation of the program authorized by section 462A.2091.

Sec. 115. Minnesota Statutes 1994, section 462A.21, is amended by adding a subdivision to read:

Subd. 23. [RENTAL HOUSING.] The agency may spend money for the purposes of the rental housing program authorized under section 462A.2097, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 116. Minnesota Statutes 1994, section 469.0171, is amended to read:

469.0171 [HOUSING PLAN, PROGRAM, AND REVIEW.]

Prior to the issuance of bonds or obligations for a housing development project proposed by an authority under section 469.017, the authority shall:

(1) prepare a plan meeting the requirements of section 462C.03, subdivision 1, paragraphs (a) to (d);

- (2) obtain review of the plan in the manner provided in section 462C.04, subdivision 1; and
- (3) prepare and submit for review a program as defined in section 462C.02, subdivision 3, in the manner provided in section 462C.04, subdivision 2, and section 462C.05, subdivision 5, for the making or purchasing of loans by cities.

The authority shall prepare and submit the report required under section 462C.04, subdivision 3.

Sec. 117. Minnesota Statutes 1994, section 504.33, subdivision 2, is amended to read:

Subd. 2. [CITY.] "City" means a any statutory or home rule charter city located within the metropolitan area as defined in section 473.121, subdivision 2, and any city of the first class as defined in section 410.01. The term "city" also includes, where applicable, a port authority, economic development authority, a housing and redevelopment authority, or any development agency established under chapter 469 which share common boundaries with the city.

Sec. 118. Minnesota Statutes 1994, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; or (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure.

"Displace" does not include downsizing large apartment complexes by demolishing less than 25 percent of the units in the complex or by eliminating units through reconfiguration and expansion of individual units for the purpose of expanding the size of the remaining low-income units. For the purpose of this section, "large apartment complex" means two or more adjacent buildings containing a total of 100 or more units per complex.

In any city in the metropolitan area, as defined in section 473.121, subdivision 2, which has met its housing affordability goals under the metropolitan council's metropolitan development guide, adopted under section 473.145, "displace" means the demolition, acquisition, or conversion of housing only for purposes other than the construction or rehabilitation of housing.

Sec. 119. Minnesota Statutes 1994, section 504.34, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL REPORT REQUIRED.] A government unit, or in the case of a government unit located in the metropolitan area as defined in section 473.121, ~~the government unit and~~ the metropolitan council, shall prepare a housing impact report either:

- (1) for each year in which the government unit displaces ten or more units of low-income housing in a city of the first class as defined in section 410.01; or
- (2) when a specific project undertaken by a government unit for longer than one year displaces a total of ten or more units of low-income housing in a city of the first class as defined in section 410.01.

Sec. 120. Minnesota Statutes 1994, section 504.34, subdivision 2, is amended to read:

Subd. 2. [DRAFT ANNUAL HOUSING IMPACT REPORT.] As provided in subdivision 1, a government unit or ~~in the case of a government unit participating with~~ located in the metropolitan area, as defined in section 473.121, subdivision 2, the metropolitan council subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced ten or more units of low-income housing in a city. For a housing impact report required under subdivision 1, clause (2), the draft report must be completed

by January 31 of the year immediately following the year in which the government unit has displaced a cumulative total of ten units of low-income housing in a city.

Sec. 121. Minnesota Statutes 1994, section 504.35, is amended to read:

504.35 [REPLACEMENT HOUSING REQUIRED.]

A government unit which displaces ten or more units of low-income housing in a city of the first class as defined in section 410.01 ~~and is subject to section 504.34~~ or in any city located within the metropolitan area as defined in section 473.121, subdivision 2, must provide the replacement housing within 36 months following the date of the final annual housing impact report, unless there is an adequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city where housing has been displaced by the government unit.

Sec. 122. [AFFORDABLE NEIGHBORHOOD DESIGN AND DEVELOPMENT INITIATIVE.]

In order to develop and implement methods of reducing the total costs of housing units through the innovative use of technology and planning, the housing finance agency may conduct a competition or secure proposals for innovative plans for the development of housing units affordable to low-income persons. The agency shall seek models for use by local units of government and nonprofit organizations to develop neighborhoods with small, owner-occupied affordable housing. The agency may seek plans that reduce construction costs through technological advancements, uniform housing designs suitable for use throughout the state, central purchasing of material or housing components, or streamlining of regulatory processes for site planning and land development. Designs selected become the property of the state of Minnesota. The agency may award one or more premiums in each competition and may share the costs and fees that may be required for the conduct of competitions.

Sec. 123. [REPLACEMENT HOUSING; METROPOLITAN COUNCIL STUDY.]

The metropolitan council shall study the issue of replacement housing and the need for a metropolitan area replacement housing law. The council shall report the results of the study and its recommendations to the legislature by December 1, 1996.

Sec. 124. Laws 1994, chapter 643, section 19, subdivision 9, is amended to read:

Subd. 9. Museum and Center for
American Indian History

1,100,000

This appropriation is for the Minnesota historical society board of trustees of the Minnesota state colleges and universities 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 Bemidji State University. This appropriation is not available unless matched by \$1,000,000 from nonpublic sources. The board of trustees of the Minnesota state colleges and universities is not required to pay any debt service for this appropriation.

Sec. 125. [APPLICABILITY.]

Sections 119, 120, and 123 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 126. [REPEALER.]

(a) Minnesota Statutes 1994, sections 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; and 268A.09, are repealed.

(b) Minnesota Statutes 1994, sections 298.2211, subdivision 3a, and 462A.21, subdivision 8c, are repealed.

(c) Minnesota Statutes 1994, section 97A.531, subdivisions 2, 3, 4, 5, and 6, are repealed. Any action of the commissioner of natural resources under authority of those subdivisions is void.

(d) Laws 1990, chapter 521, section 4, is repealed.

Sec. 127. [EFFECTIVE DATES.]

Sections 18, subdivision 5; 30 to 47; 49; 57; 69; 71; 76; 79; 95; 96; 98; 100 to 103; 108; 112; 115; 116; 123 to 125; 126, paragraphs (b), (c), and (d); and all provisions of this act making appropriations for fiscal year 1995, are effective the day following final enactment. Section 51 is effective the day following final enactment and is repealed December 31, 1995. Section 52 is effective May 1, 1996. Sections 117 to 121 are effective August 1, 1997. All other provisions of this act are effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for economic development and certain agencies of state government, with certain conditions; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; requiring studies and reports; amending Minnesota Statutes 1994, sections 5.14; 16B.08, subdivision 7; 44A.01, subdivision 2; 97A.531, by adding a subdivision; 116J.552, subdivision 2; 116J.555, subdivision 2; 116J.873, subdivision 3, and by adding a subdivision; 116J.982, subdivision 3; 116M.16, subdivision 2; 116M.18, subdivisions 4, 5, and by adding a subdivision; 116N.03, subdivision 2; 116N.08, subdivisions 5, 6, and by adding a subdivision; 124.85, by adding a subdivision; 175.171; 176.011, subdivision 7a; 176.231, by adding a subdivision; 207A.01; 216B.16, subdivision 2, and by adding a subdivision; 216B.2424; 216B.27, subdivision 4; 237.701, subdivision 1; 245A.11, subdivision 2; 268A.01, subdivisions 4, 5, 6, 9, and 10; 268A.03; 268A.06, subdivision 1; 268A.07; 268A.08, subdivisions 1 and 2; 268A.13; 298.22, subdivision 2; 298.223, subdivision 2; 462.357, subdivision 7; 462A.05, subdivisions 14, 15c, and 30; 462A.201, subdivision 2; 462A.202, subdivisions 2 and 6; 462A.204, subdivision 1; 462A.205, subdivision 4; 462A.206, subdivisions 2 and 5; 462A.21, subdivisions 3b, 8, 8b, 13, 21, and by adding subdivisions; 469.0171; 504.33, subdivisions 2 and 3; 504.34, subdivisions 1 and 2; and 504.35; Laws 1993, chapter 369, section 9, subdivisions 2 and 3; Laws 1994, chapter 573, section 5, subdivision 2; chapter 643, section 19, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 97A; 116J; 176; 178; 268A; 383B; and 462A; repealing Minnesota Statutes 1994, sections 97A.531, subdivisions 2, 3, 4, 5, and 6; 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; 268A.09; 298.2211, subdivision 3a; and 462A.21, subdivision 8c; Laws 1990, chapter 521, section 4."

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

Senate Conferees: (Signed) Carl W. Kroening, Steven G. Novak, Kevin M. Chandler, Janet B. Johnson, Steve Dille

House Conferees: (Signed) James I. Rice, Karen Clark, Mark P. Mahon, Robert Leighton, Jr., Dennis Ozment

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 1670. The motion prevailed.

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1670 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Mr. Kroening imposed a call of the Senate for the balance of the proceedings on S.F. No. 1670. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Kroening to adopt the recommendations and Conference Committee Report and that the bill be repassed as amended by the Conference Committee.

The roll was called, and there were yeas 41 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Scheevel
Beckman	Frederickson	Laidig	Novak	Solon
Berg	Hanson	Larson	Ourada	Stumpf
Berglin	Janezich	Lessard	Pappas	Vickerman
Bertram	Johnson, J.B.	Marty	Piper	Wiener
Chandler	Johnston	Metzen	Price	
Chmielewski	Kelly	Moe, R.D.	Ranum	
Cohen	Kleis	Mondale	Sams	
Dille	Kramer	Morse	Samuelson	

Those who voted in the negative were:

Betzold	Kiscaden	Merriam	Olson	Spear
Day	Lesewski	Neuville	Pariseau	Stevens
Johnson, D.E.	Limmer	Oliver	Runbeck	Terwilliger
Johnson, D.J.				

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 1670 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 40 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Moe, R.D.	Ranum
Beckman	Frederickson	Kroening	Mondale	Sams
Berg	Hanson	Laidig	Morse	Samuelson
Berglin	Johnson, J.B.	Langseth	Novak	Scheevel
Chandler	Johnston	Larson	Ourada	Solon
Chmielewski	Kelly	Lessard	Pappas	Stumpf
Cohen	Kleis	Marty	Piper	Vickerman
Dille	Kramer	Metzen	Pogemiller	Wiener

Those who voted in the negative were:

Bertram	Johnson, D.J.	Merriam	Pariseau	Stevens
Betzold	Kiscaden	Murphy	Price	Terwilliger
Day	Knutson	Neuville	Robertson	
Janezich	Lesewski	Oliver	Runbeck	
Johnson, D.E.	Limmer	Olson	Spear	

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

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Spear moved that the report from the Committee on Crime Prevention, reported April 20, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Spear moved that in accordance with the report from the Committee on Crime Prevention, reported April 20, 1995, the Senate, having given its advice, do not now consent to and do not confirm the appointment of:

DEPARTMENT OF PUBLIC SAFETY COMMISSIONER

Michael S. Jordan, 6631 - 135th St. W., Apple Valley, Dakota County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

CALL OF THE SENATE

Mr. Johnson, D.E. imposed a call of the Senate for the balance of the proceedings on the confirmation of Mr. Michael Jordan. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Spear to not consent to and not confirm the appointment of Mr. Michael Jordan.

The roll was called, and there were yeas 8 and nays 56, as follows:

Those who voted in the affirmative were:

Beckman	Janezich	Langseth	Metzen	Piper
Betzold	Kelly	Marty		

Those who voted in the negative were:

Anderson	Frederickson	Laidig	Olson	Scheevel
Belanger	Hanson	Larson	Ourada	Solon
Berg	Johnson, D.E.	Lesewski	Pappas	Spear
Berglin	Johnson, D.J.	Lessard	Pariseau	Stevens
Bertram	Johnson, J.B.	Limmer	Pogemiller	Stumpf
Chandler	Johnston	Merriam	Price	Terwilliger
Chmielewski	Kiscaden	Moe, R.D.	Ranum	Vickerman
Cohen	Kleis	Mondale	Riveness	Wiener
Day	Knutson	Morse	Robertson	
Dille	Kramer	Neuville	Runbeck	
Finn	Krentz	Novak	Sams	
Flynn	Kroening	Oliver	Samuelson	

The motion did not prevail.

Mr. Spear then moved that the Senate, having given its advice, do now consent to and confirm the appointment of Mr. Michael Jordan as Commissioner of Public Safety.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 59 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Larson	Oliver	Samuelson
Berglin	Johnson, D.E.	Lesewski	Olson	Scheevel
Bertram	Johnson, D.J.	Lessard	Ourada	Solon
Chandler	Johnson, J.B.	Limmer	Pappas	Spear
Chmielewski	Johnston	Merriam	Pariseau	Stevens
Cohen	Kiscaden	Metzen	Pogemiller	Stumpf
Day	Kleis	Moe, R.D.	Price	Terwilliger
Dille	Knutson	Mondale	Ranum	Vickerman
Finn	Kramer	Morse	Riveness	Wiener
Flynn	Krentz	Murphy	Robertson	

Those who voted in the negative were:

Beckman	Kelly	Langseth	Marty	Piper
Betzold				

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Riveness moved that the vote whereby S.F. No. 836 failed to pass the Senate on May 18, 1995, be now reconsidered. The motion prevailed.

Mr. Solon moved that S.F. No. 836 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 1000 at 2:00 p.m.:

Messrs. Pogemiller, Langseth, Knutson, Ms. Krentz and Robertson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Mondale moved that the following members be excused for a Conference Committee on S.F. No. 1019 at 4:00 p.m.:

Messrs. Mondale, Oliver, Riveness, Belanger and Ms. Flynn. The motion prevailed.

Mr. Berg moved that S.F. No. 560 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Gaming Regulation. The motion prevailed.

Mr. Berg moved that S.F. No. 977 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Gaming Regulation. The motion prevailed.

S.F. No. 106 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 106

A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; modifying provisions relating to disposition of certain revenues from state trust lands, sales of software, agricultural and environmental loans, food handlers, ethanol and oxygenated fuels, the citizen's council on Voyageurs National Park, local recreation grants, zoo admission charges, watercraft surcharge, water information, well sealing grants, pollution control agency fees, sale of tax-forfeited lands, and payments in lieu of taxes; establishing the Passing on the Farm Center; establishing special

critical habitat license plates; authorizing establishment of a shooting area in Sand Dunes State Forest; prohibiting the adoption or enforcement of water quality standards that are not necessary to comply with federal law; abolishing the harmful substance compensation board and account; extending performance reporting requirements; providing for easements across state trails in certain circumstances; amending Minnesota Statutes 1994, sections 15.91, subdivision 1; 16A.125; 16B.405, subdivision 2; 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; 28A.03; 28A.08; 41A.09, by adding subdivisions; 41B.02, subdivision 20; 41B.043, subdivisions 1b, 2, and 3; 41B.045, subdivision 2; 41B.046, subdivision 1, and by adding a subdivision; 84.631; 84.943, subdivision 3; 84B.11, subdivision 1; 85.015, by adding a subdivision; 85.019; 85A.02, subdivision 17; 86.72, subdivision 1; 86B.415, subdivision 7; 92.46, subdivision 1; 93.22; 97A.531, subdivision 1; 103A.43; 103F.725, subdivision 1a; 103H.151, by adding a subdivision; 103I.331, subdivision 4; 115.03, subdivision 5; 115A.03, subdivision 29; 115A.908, subdivision 3; 115B.20, subdivision 1; 115B.25, subdivision 1a; 115B.26, subdivision 2; 115B.41, subdivision 1; 115B.42; 115C.03, subdivision 9; 116.07, subdivision 4d, and by adding a subdivision; 116.12, subdivision 1; 116.96, subdivision 5; 116C.69, subdivision 3; 116P.11; 239.791, subdivision 8; 282.01, subdivisions 2 and 3; 282.011, subdivision 1; 282.02; 282.04, subdivision 1; 296.02, by adding a subdivision; 446A.07, subdivision 8; 446A.071, subdivision 2; 473.845, subdivision 2; 477A.11, subdivision 4; 477A.12; and 477A.14; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 89; 116; and 168; repealing Minnesota Statutes 1994, sections 28A.08, subdivision 2; 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 282.018; 296.02, subdivision 7; 325E.0951, subdivision 5; and 446A.071, subdivision 7; Laws 1993, chapter 172, section 10.

May 17, 1995

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. 106, 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. 106 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ENVIRONMENT AND NATURAL RESOURCES 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 act, to be available for the fiscal years indicated for each purpose. The figures "1995," "1996," and "1997," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1995, June 30, 1996, or June 30, 1997, respectively.

SUMMARY BY FUND

	1995	1996	1997	TOTAL
General	\$ 140,000	\$161,448,000	\$157,190,000	\$318,778,000
Environmental		20,952,000	21,217,000	42,169,000
Solid Waste	130,000	5,819,000	5,743,000	11,692,000
Petroleum Tank		2,386,000	2,659,000	5,045,000
Metro Landfill				
Contingency Trust		134,000	134,000	268,000
Special				
Revenue	122,000	10,386,000	10,379,000	20,887,000
Natural Resources		18,818,000	19,145,000	37,963,000

63RD DAY]

THURSDAY, MAY 18, 1995

3991

Game and Fish		51,477,000	51,339,000	102,816,000
Environmental Trust	2,240,000	15,604,000	-0-	17,844,000
Minnesota Future Resources		15,083,000	-0-	15,083,000
Oil Overcharge		2,055,000	-0-	2,055,000
Permanent University		-0-	500,000	500,000
Highway User Tax Distribution		50,000	-0-	50,000
Great Lakes Protection		130,000		130,000
TOTAL	2,632,000	304,342,000	268,306,000	575,280,000

APPROPRIATIONS

Available for the Year

Ending June 30

1995

1996

1997

Sec. 2. POLLUTION CONTROL
AGENCYSubdivision 1. Total
Appropriation

130,000

39,891,000

38,183,000

Summary by Fund

General	11,572,000	9,441,000
Environmental	19,342,000	19,607,000
Solid Waste	130,000	5,643,000
Metro Landfill Contingency	134,000	134,000
Special Revenue	778,000	699,000
Petroleum Tank	2,386,000	2,659,000

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

Subd. 2. Water Pollution Control

11,178,000

9,109,000

Summary by Fund

General	8,104,000	6,123,000
Environmental	3,074,000	2,986,000

\$1,946,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

General fund money appropriated for the nonpoint source pollution Minnesota River project must be matched by federal dollars.

Of this amount, \$855,000 in each fiscal year is for grants for county administration of the feedlot permit program. This amount is transferred to the board of water and soil resources for disbursement in accordance with Minnesota Statutes, section 103B.3369, in cooperation with the pollution control agency. Grants must be matched with a combination of local cash and/or in-kind contributions. Counties receiving these grants shall submit an annual report to the pollution control agency regarding activities conducted under the grant, expenditures made, and local match contributions. First priority for funding shall be given to counties that have requested and received delegation from the pollution control agency for processing of animal feedlot permit applications under Minnesota Statutes, section 116.07, subdivision 7. Delegated counties shall be eligible to receive a grant of \$5,000 plus either: \$15 multiplied by the number of livestock or poultry farms with sales greater than \$10,000, as reported in the 1992 Census of Agriculture, published by the United States Bureau of Census; or \$25 multiplied by the number of feedlots with greater than ten animal units as determined by a level 2 or level 3 feedlot inventory conducted in accordance with the Feedlot Inventory Guidebook published by the board of water and soil resources, dated June 1991. To receive the additional funding that is based on the county feedlot inventory, the county shall submit a copy of the inventory to the pollution control agency. Any remaining money is for distribution to all counties on a competitive basis through the challenge grant process for the conducting of feedlot inventories, development of delegated county feedlot programs, and for information and education or technical assistance efforts to reduce feedlot-related pollution hazards.

The governor shall appoint an advisory task force to examine the point source permitting program in the water quality division of the agency. The task force must include representatives of industrial and municipal permittees regulated by the agency and environmental interest groups. The task force shall report to the governor and chairs of the senate finance and house of representatives ways and means committees, and chairs of the environmental policy and finance committees and divisions of the senate and house of representatives by November 30, 1995. The report must address the following issues: (1)

what constitutes an adequate point source permitting program; (2) what the associated costs are of running an adequate program; (3) how these costs should be allocated and funded; (4) load-based fees; (5) fees for permittees that have violations requiring enforcement actions; (6) how to improve public access to information concerning toxic pollutants in permitted discharges; and (7) a time reporting system to improve tracking of resource usage. The task force expires on December 1, 1995.

The pollution control agency shall, by January 1, 1996, provide the chairs of the house environment and natural resources finance committee and the senate environmental and natural resources finance division with the following information:

- (1) a list of all wastewater treatment facility upgrade and construction projects the agency has identified as necessary to meet existing and proposed water quality standards and regulations;
- (2) an estimate of the total project costs and an estimate in the increase in sewer service rates resulting from these project costs;
- (3) a list of existing and proposed state water quality standards that are not required under federal law;
- (4) a list of existing and proposed state water quality standards that are more stringent than is necessary to comply with federal law; and
- (5) recommendations from the agency for alternative methods to prioritize the projects listed in clause (1).

The commissioner is required to comply with this mandate only to the extent that funding is available to perform the additional oversight and engineering and fiscal review.

\$165,000 in the second year is for the operation of water quality monitoring stations.

Subd. 3. Air Pollution Control

7,082,000	7,217,000	
Summary by Fund		
Environmental	6,304,000	6,518,000
Special Revenue	778,000	699,000

Up to \$100,000 in fiscal year 1996 and \$150,000 in fiscal year 1997 may be transferred to the small business environmental loan account established in Minnesota Statutes, section 116.992.

\$200,000 each year is for a monitoring program under Minnesota Statutes, section 116.454.

By February 1, 1996, the pollution control agency, in consultation with the public utilities commission, the department of public service, representatives from the electric utility industry, and other interested parties, shall:

(1) conduct an assessment of the effect that the market for the sale of sulphur dioxide emission credits by entities within the state has had on the state's environment; and

(2) make recommendations to the legislature regarding measures the state could take to increase the positive effect of this market on the environment, including whether the legislature should create a sulphur dioxide reduction fund into which the proceeds of the sale of sulphur dioxide emission credits could be placed and used to fund programs for the reduction of sulphur dioxide emissions.

Subd. 4. Groundwater and Solid Waste Management

8,009,000

7,985,000

Summary by Fund

Environmental	3,199,000	3,213,000
Metro Landfill		
Contingency	126,000	126,000
Solid Waste	4,684,000	4,646,000

\$1,000,000 is transferred from the motor vehicle transfer account in the environmental fund to the environmental response, compensation, and compliance account in the environmental fund and is appropriated as provided in this subdivision.

All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 1997.

Any unencumbered balance from the metropolitan landfill contingency action trust

fund remaining in the first year does not cancel but is available for the second year.

The unencumbered balances of the appropriations made to the commissioner of the pollution control agency in Laws 1993, chapter 172, section 2, from the motor vehicle transfer account in the environmental fund for grants and administrative costs for development of management alternatives for shredder residue from recyclable steel shall not cancel, but is available through June 30, 1997.

\$5,517,000 from the balance in the motor vehicle transfer account in the environmental fund, shall be transferred to the general fund by June 30, 1997.

\$50,000 is appropriated each year from the solid waste fund for transfer to the commissioner of revenue to enhance compliance and collection of solid waste assessments.

Subd. 5. Hazardous Waste Management

5,800,000	6,069,000
-----------	-----------

Summary by Fund

General	1,660,000	1,660,000
Environmental	2,202,000	2,206,000
Petroleum Cleanup	1,938,000	2,203,000

\$100,000 the first year is transferred from the motor vehicle transfer account to be credited to the used motor oil reimbursement account.

Subd. 6. Policy and Operational Support

7,822,000	7,803,000
-----------	-----------

Summary by Fund

General	1,808,000	1,658,000
Environmental	4,563,000	4,684,000
Solid Waste	995,000	997,000
Metro Landfill Contingency	8,000	8,000
Petroleum Tank	448,000	456,000

The following amounts are appropriated for the final phase of an environmental computer compliance management system:

General	400,000	400,000
Environmental	2,055,000	2,055,000
Petroleum Tank	32,000	32,000

Subd. 7. Deficiency Appropriation

\$130,000 is appropriated from the landfill

cleanup fund to the commissioner of the pollution control agency for fiscal year 1995 for rulemaking under Minnesota Statutes, section 115A.47, and activities related to defense of the statute in federal court.

Sec. 3. OFFICE OF ENVIRONMENTAL ASSISTANCE

20,487,000 20,487,000

Summary by Fund

General 19,146,000 19,146,000

Environmental 1,341,000 1,341,000

\$14,008,000 the first year and \$14,008,000 the second year are for the SCORE block grants to counties.

Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the office of environmental assistance for the purposes of Minnesota Statutes, section 473.844.

Sec. 4. ZOOLOGICAL BOARD

Subdivision 1. Total Appropriation

5,274,000 5,074,000

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

Subd. 2. Biological Programs

655,000 655,000

Subd. 3. Operations

4,619,000 4,419,000

\$200,000 in the first year is for computer systems.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation

140,000 159,063,000 158,878,000

Summary by Fund

General 140,000 88,698,000 87,824,000

Game and Fish 51,477,000 51,339,000

Natural Resources 18,788,000 19,115,000

Permanent University -0- 500,000

Solid Waste 100,000 100,000

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

Subd. 2. Mineral Resources Management

4,717,000

4,717,000

Summary by Fund

General	4,717,000	4,217,000
Permanent University	-0-	500,000

\$311,000 the first year and \$311,000 the second year are for iron ore cooperative research, of which \$225,000 the first year and \$225,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$375,000 the first year and \$375,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$45,000 the first year and \$45,000 the second year are for minerals cooperative environmental research, of which \$30,000 the first year and \$30,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$500,000 the second year is from the university lands and minerals suspense account in the permanent university fund for activities of the commissioner to protect, improve, administer, manage, and otherwise enhance the mineral value of university lands. This is a one-time appropriation. The board of regents of the University of Minnesota is requested to discuss options with the commissioner of natural resources to determine a method to calculate reasonable costs of the commissioner to maintain the university trust lands.

Subd. 3. Water Resources Management

8,781,000

8,706,000

Summary by Fund

General	8,540,000	8,465,000
Natural Resources	241,000	241,000

\$95,000 the first year and \$95,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

\$50,000 is for development and administration of contracts with water well contractors for exploratory drilling and installation of observation wells to characterize the geologic and hydrologic conditions in the southwest region of the state where water supplies are difficult to locate. This appropriation is available until June 30, 1997, and is contingent on the receipt by the commissioner of \$50,000 in nonstate money. Results must be reported to the legislative water commission by February 15, 1996, and February 15, 1997.

\$25,000 is appropriated in fiscal year 1996 under Minnesota Statutes, section 103G.701, to the commissioner of natural resources for a grant, requiring no local match, to Morrison county for improving water flow along the easterly shoreline of the Mississippi river near Highway 10 in Morrison county, notwithstanding Minnesota Statutes, section 103G.701, subdivision 4.

Subd. 4. Forest Management

30,121,000

31,148,000

Summary by Fund

General	29,679,000	30,706,000
Natural Resources	442,000	442,000

\$2,736,000 the first year and \$2,736,000 the second year are for presuppression and suppression costs of emergency fire fighting. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund. If money is spent under the appropriation in the preceding sentence, the commissioner of natural resources shall, by the 15th day of the following month, report on how the money was spent to the chairs of the senate finance committee, the house of representatives ways and means committee, the finance division of the senate environment and natural resources committee, and the house of representatives environment and natural resources finance committee. The appropriations may not be transferred.

Of this appropriation, \$585,000 the first year and \$1,430,000 the second year are for implementing the planned timber harvest on state land. In implementing the planned harvest, the department shall follow existing guidelines for protection of forest resource values. By

November 1, 1996, and November 1, 1997, the commissioner shall submit to the senate environment and natural resources finance division and the house environment and natural resources finance committee a report that includes: (1) the planned harvest levels for the preceding fiscal year and the fiscal year in which the report is being submitted, and documentation of the methodology used to determine these levels; (2) the volume of, and revenue from, timber sales on state land during the preceding fiscal year; and (3) a description of the resource protection guidelines followed in implementing the planned harvest.

\$730,000 the first year and \$1,007,000 the second year are for implementation of the generic environmental impact statement on timber harvesting. Of these amounts, \$140,000 the first year and \$140,000 the second year are for transfer to the forest resources council for the council's activities under Minnesota Statutes, chapter 89A.

\$100,000 the first year and \$100,000 in the second year is an increase in appropriation to the Minnesota conservation corps.

\$75,000 is appropriated in the first year to preserve and enhance oak savannah stands in Ramsey county and the city of St. Paul.

\$20,000 in the first year is for construction of a recreational shooting area at Sand Dunes state forest.

Subd. 5. Parks and Recreation Management

140,000	23,850,000	23,879,000
---------	------------	------------

Summary by Fund

General	140,000	23,163,000	23,197,000
Natural Resources		687,000	682,000

\$687,000 the first year and \$682,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

\$2,238,000 the first year and \$2,238,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

\$50,000 in the first year and \$50,000 in the second year are for operational costs at Cuyuna Country State Recreation Area.

In operating a work training program for

unemployed and underemployed individuals for the 1995 parks season, the commissioner of natural resources shall implement the 1995 tentative agreement with AFSCME, with any modifications mutually agreed to by the commissioner and AFSCME. The commissioner may not operate a work training program for unemployed and underemployed individuals during the 1996 and 1997 park seasons unless the terms and conditions of employment of such individuals have been negotiated and an agreement on these issues has been reached with the exclusive bargaining representatives of employees pursuant to Minnesota Statutes, chapter 179A. Negotiations for the 1996 and 1997 park seasons must begin by November 1 of the preceding year.

The commissioner of natural resources shall develop an implementation plan, including estimated costs and uses, for an electronic permit tracking system that would allow the identification and tracking of state park users. The commissioner shall submit the plan by January 15, 1996, to the chairs of the senate and house of representatives environment and natural resources committees, the finance division of the senate environment and natural resources committee, and the house of representatives environment and natural resources finance committee.

The commissioner shall prepare a five-year plan for using available funds to construct or modify for accessibility to persons with physical disabilities at least one trail in each state park containing trails.

For 1995 - \$140,000

\$140,000 in fiscal year 1995 is appropriated for replacement of equipment and the contents of the building destroyed by arson fire at William O'Brien State Park.

Subd. 6. Trails and Waterways
Management

11,437,000

11,086,000

Summary by Fund

General	1,215,000	1,177,000
Game and Fish	1,334,000	1,021,000
Natural Resources	8,888,000	8,888,000

\$2,249,000 the first year and \$2,249,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$250,000 the first year and \$250,000 the second

year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

The amounts spent by the commissioner of natural resources from the appropriations in Laws 1993, chapter 311, article 1, section 18, paragraph (a), for off-highway motorcycles and article 2, section 19, paragraph (a), for off-road vehicles must be reimbursed to the general fund by June 30, 1996.

Subd. 7. Fish and Wildlife Management

35,555,000

35,490,000

Summary by Fund

General	2,656,000	2,656,000
Game and Fish	30,800,000	30,800,000
Natural Resources	2,099,000	2,034,000

\$300,000 each year is for resource population surveys in the 1837 treaty area. Of this amount, \$100,000 each year is from the game and fish fund.

\$955,000 the first year and \$955,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

\$1,313,000 the first year and \$1,313,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

\$1,104,000 the first year and \$1,104,000 the second year are from the wildlife acquisition account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 3.

\$1,200,000 the first year and \$1,200,000 the second year are from the deer habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$138,000 the first year and \$138,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$130,000 the first year and \$130,000 the second year are from the game and fish fund for deer and bear management to include emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available.

\$661,000 the first year and \$661,000 the second year are from the waterfowl habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$400,000 the first year and \$400,000 the second year are from the trout and salmon management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$545,000 the first year and \$545,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4.

\$284,000 the first year and \$284,000 the second year are from the game and fish fund for activities relating to reduction and prevention of property damage by wildlife. \$50,000 each year is for emergency damage abatement materials.

Subd. 8. Enforcement

17,586,000

18,490,000

Summary by Fund

General	2,971,000	3,110,000
Game and Fish	11,370,000	11,710,000
Natural Resources	3,145,000	3,570,000
Solid Waste	100,000	100,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

The commissioner shall maintain historic levels of overtime and retain field-based conservation officer positions except in the event of unanticipated budget shortfalls or unallotments. The commissioner may reduce these items in proportion with other reductions in the division.

\$50,000 is appropriated in the second year to add one area-wide conservation officer in the seven-county metropolitan area.

\$50,000 the first year and \$50,000 the second year are for costs related to the 1837 Treaty with the Chippewa.

\$100,000 each year is from the solid waste fund

for solid waste enforcement activities under Minnesota Statutes, section 116.073.

Subd. 9. Operations Support

26,643,000

24,989,000

Summary by Fund

General	15,384,000	13,923,000
Game and Fish	7,973,000	7,808,000
Natural Resources	3,286,000	3,258,000

The commissioner of natural resources may contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

\$750,000 in the first year is for transfer to the attorney general's office for treaty litigation expenses related to the Mille Lacs and Fond du Lac cases.

Any telephone services offered through the information center must be provided toll-free for all residents of the state.

\$150,000 in the second year is appropriated to the commissioner of natural resources for the southeast asian information and outreach program.

The appropriation of \$50,000 from the game and fish fund contained in Laws 1993, chapter 172, section 5, subdivision 8, to consolidate enforcement arrest ledgers, is available until June 30, 1996.

\$5,000 the first year is for the hydrologic task force expenses.

\$8,000 from the natural resources fund and \$55,000 from the game and fish fund in the first year is for design work on a revenue accounting system. The department must meet any requirements contained in the information policy office evaluation of the project before expending any funds from this appropriation.

\$250,000 is appropriated in the first year to be transferred to the director of the office of strategic and long-range planning. The money is to be used for a grant to the Northern Counties Land Use Coordinating Board, contingent on the board receiving \$125,000 in local matching funds. The grant is to be used for developing a coordinated planning process and comprehensive land use plans pursuant to policy goals in the National Environmental Policy Act, United States Code, title 42, section 4331.

If the Morrison county board determines that

Morrison county did not comply with tax-forfeiture laws with respect to property owned in 1977 by Richard T. Peterson, Route No. 6, Little Falls, MN, 56345, in Morrison county, referred to by Laws 1984, chapter 502, article 13, section 15, whose ownership he lost to the state in a disputed tax-forfeiture, then Morrison county is authorized to pay \$6,000 to Richard and Nancy Peterson. If the county payment is made, \$6,000 is also appropriated from the general fund to the commissioner of natural resources for payment to Richard and Nancy Peterson and shall be paid to him within 60 days of the payment by the county. The sum of \$12,000 represents the value of the property at the time of the forfeiture on August 16, 1982, and interest since that date. This paragraph is not a finding or attribution of responsibility on the part of the state, the county, or Richard and Nancy Peterson. Under Minnesota Statutes, section 645.023, subdivision 1, the authority granted to the county by this paragraph takes effect without local approval.

Subd. 10. Integrated Resource Management Pilot Project

373,000

373,000

The commissioner of natural resources shall develop a pilot project for implementation of a sustainable, multiple-use natural resources management system, including budgeting, that is based on appropriate natural resource management boundaries. In developing the project, the commissioner shall include hunting, fishing, outdoor recreation, agriculture, and other interested groups. The commissioner shall coordinate project activities with activities of the pollution control agency, the board of water and soil resources, the department of agriculture, the department of health, and local governmental units. \$173,000 each year is for community environmental assistance. \$200,000 each year is for geographic information system implementation.

Six members of the legislature may serve as liaisons between the legislature and the commissioner in the development of the pilot project. The chairs of the senate environment and natural resources committee and the finance division of the committee may jointly appoint three members of the senate to act as liaisons, at least one of whom must be a member of the minority caucus. The chairs of the house environment and natural resources committee and the environment and natural resources

finance committee may jointly appoint three members of the house to act as liaisons, at least one of whom must be a member of the minority caucus. Legislative staff may, at the direction of the legislative liaisons, participate in the development of the pilot project.

The commissioner shall submit a preliminary plan by November 15, 1995, and a final plan by February 15, 1996, to the senate environment and natural resources finance division and the house environment and natural resources finance committee. The preliminary and final plans must include any plans of the commissioner to transfer personnel to the regions in which the pilot project is to be implemented.

Of the amounts appropriated in this section, none of the money for fiscal year 1997 for activities in regions 4 and 5 may be spent until the final plan for the pilot project has been approved by the legislature.

Nothing in this subdivision alters any restrictions in law relating to allowed uses of revenues credited to the general, game and fish, and natural resources funds.

**Sec. 6. BOARD OF WATER AND
SOIL RESOURCES**

13,719,000

13,947,000

\$5,353,000 the first year and \$5,353,000 the second year are for natural resources block grants to local governments. Of this amount, \$50,000 in each year is for a grant to the north shore management board and \$35,000 in each year is for a grant to the St. Louis River board.

The board shall reduce the amount of the natural resource block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's 1994 allocation.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$1,826,000 the first year and \$2,054,000 the second year are for grants to soil and water conservation districts for general purposes and for implementation of the RIM conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$2,120,000 the first year and \$2,120,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for floodplain management.

Any unencumbered balance in the board's program of grants does not cancel at the end of the first year and is available for the second year for the same grant program.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation

24,812,000 23,646,000

Summary by Fund

General	15,135,000	13,897,000
Environmental	269,000	269,000
Special		
Revenue	122,000 9,408,000	9,480,000

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

Subd. 2. Protection Service

17,058,000 16,787,000

Summary by Fund

General	7,581,000	7,238,000
Environmental	269,000	269,000
Special		
Revenue	122,000 9,208,000	9,280,000

\$269,000 the first year and \$269,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

\$4,070,000 the first year and \$4,070,000 the second year are appropriated from the pesticide regulatory account established under Minnesota Statutes, section 18B.05, for administration and enforcement of Minnesota Statutes, chapter 18B.

\$694,000 the first year and \$694,000 the second year are appropriated from the fertilizer inspection account established under Minnesota Statutes, section 18C.131, for administration and enforcement of Minnesota Statutes, chapter 18C.

\$431,000 the first year and \$431,000 the second year are appropriated from the seed potato

inspection fund established under Minnesota Statutes, section 21.115, for administration and enforcement of Minnesota Statutes, sections 21.111 to 21.122.

\$695,000 the first year and \$695,000 the second year are appropriated from the seed inspection fund established under Minnesota Statutes, section 21.92, for administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92.

\$691,000 the first year and \$691,000 the second year are appropriated from the commercial feed inspection account established under Minnesota Statutes, section 25.39, subdivision 4, for administration and enforcement of Minnesota Statutes, sections 25.35 to 25.44.

\$668,000 the first year and \$668,000 the second year are appropriated from the fruit and vegetables inspection account established under Minnesota Statutes, section 27.07, subdivision 6, for administration and enforcement of Minnesota Statutes, section 27.07.

\$1,644,000 the first year and \$1,716,000 the second year are appropriated from the dairy services account established under Minnesota Statutes, section 32.394, subdivision 9, for the purpose of dairy services under Minnesota Statutes, chapter 32.

\$315,000 the first year and \$315,000 the second year are appropriated from the livestock weighing fund established under Minnesota Statutes, section 17A.11, for the purpose of livestock weighing costs under Minnesota Statutes, chapter 17A.

\$100,000 each year is appropriated from the general fund for a contract with the Minnesota institute for sustainable agriculture to gather, evaluate, publish, and disseminate sustainable agriculture information to a broad audience through both printed and electronic means. The Minnesota institute for sustainable agriculture must work in cooperation with the department of agriculture in carrying out this activity. By January 15, 1997, the executive director of the Minnesota institute for sustainable agriculture must provide a progress report to the legislative water commission on its activities funded under this section.

Notwithstanding Minnesota Statutes, section 16A.1285, subdivision 2, the commissioner need not increase fees to recover general fund appropriations made before July 1, 1995, to supplement fee-supported activities or made for

fiscal year 1996 for dairy services under Minnesota Statutes, chapter 32, or for grain inspections under Minnesota Statutes, chapter 17B.

\$180,000 each year is for the biological control program.

For 1995 - \$122,000

There is appropriated \$122,000 in fiscal year 1995 from the seed potato inspection fund to reimburse the general fund appropriation to the department of agriculture for costs incurred in building the seed potato facility located in East Grand Forks.

Subd. 3. Promotion and Marketing

1,146,000	1,146,000
-----------	-----------

Summary by Fund

General	954,000	954,000
Special Revenue	192,000	192,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed \$25,000,000 for the biennium ending June 30, 1997. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis.

\$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.

\$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.

\$192,000 the first year and \$192,000 the second year are from the commodities research and promotion account in the special revenue fund.

Subd. 4. Administration and Financial Assistance

6,608,000	5,713,000
-----------	-----------

Summary by Fund

General	6,600,000	5,705,000
Special Revenue	8,000	8,000

\$1,200,000 from the balance in the special account created in Minnesota Statutes, section

41.61, shall be transferred to the general fund by June 30, 1997.

\$150,000 the first year and \$50,000 the second year are for dairy policy studies and federal milk marketing order reform.

\$285,000 the first year and \$285,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1996 or 1997.

\$199,000 the first year and \$199,000 the second year are for the family farm advocacy program.

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

\$70,000 the first year and \$70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$150,000 the first year and \$150,000 the second year are for grants to agriculture information centers. The grants are only available on a match basis. The funds may be released at the rate of \$4 of state money for each \$1 of matching nonstate money that is raised. Any appropriated amounts not matched by April 1 of each year are available for other purposes within the department, of which \$10,000 each year may be used for farm safety programs and remains available until June 30, 1997.

\$53,000 the first year and \$53,000 the second year are for payment of claims relating to livestock damaged by threatened or endangered animal species and agricultural crops damaged by elk. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$115,000 the first year and \$115,000 the second year are for the seaway port authority of Duluth.

\$19,000 the first year and \$19,000 the second year is for a grant to the Minnesota livestock breeder's association.

\$50,000 the first year and \$50,000 the second year are for the passing on the farm center under Minnesota Statutes, section 17.985. This appropriation is available only to the extent matched with nonstate money.

\$75,000 the first year and \$75,000 the second year are for grants to the University of Minnesota for applied research on odor control at feedlots. This appropriation is available only if matched by the same amount in nonstate money. The research must provide: (1) an evaluation of cost-effective covers for manure storage structures; and (2) development of economical means of altering the biological activity in manure storage structures to reduce odor emissions.

\$25,000 the first year is for a grant to the University of Minnesota for research into the effects feedlots have on the value of nearby property. The research must take into account the distance the property is from the feedlot, the type of feedlot, and be based on actual sales of property near feedlots.

\$150,000 is for a grant to the beaver damage control joint powers board formed by the counties of Beltrami, Clearwater, Marshall, Pennington, Polk, Red Lake, Mahnomen, Norman, Becker, Hubbard, Itasca, Kittson, Koochiching, St. Louis, Roseau, and Lake of the Woods for the purpose of beaver damage control. The grant must be matched by at least \$80,000 from the joint powers board. The joint powers board may enter into an agreement with the Red Lake Band of Chippewa Indians for participation by the band in the joint powers board's beaver damage control program. This appropriation is available until June 30, 1997.

Notwithstanding any other law to the contrary, for fiscal year 1995 \$800,000 from the general fund may be transferred to the special account created in Minnesota Statutes, section 17B.15, subdivision 1, to provide an operating loan to the grain inspection and weighing account. The commissioner of agriculture shall repay the loan from the special account by June 30, 1997.

\$50,000 in the first year shall be used by the commissioner of agriculture as a grant for a pilot project for an anaerobic digestion plant for the management of animal manures and research of other appropriate technologies for management of animal manures.

\$350,000 the first year is for transfer to the ethanol development account in the special revenue fund.

\$200,000 the first year is for transfer to the value added agriculture product revolving loan account in the special revenue fund.

\$20,000 in the first year is to provide staff and research support for the livestock processing markets task force.

Sec. 8. BOARD OF ANIMAL HEALTH	2,165,000	2,217,000
--------------------------------	-----------	-----------

Sec. 9. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	164,000	168,000
---	---------	---------

Summary by Fund

General	134,000	138,000
---------	---------	---------

Natural Resources	30,000	30,000
-------------------	--------	--------

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

\$60,000 is from the water recreation account in the natural resources fund for the St. Croix management and stewardship program.

Sec. 10. CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK	59,000	60,000
--	--------	--------

Sec. 11. SCIENCE MUSEUM OF MINNESOTA	1,108,000	1,108,000
---	-----------	-----------

Sec. 12. MINNESOTA ACADEMY OF SCIENCE	36,000	36,000
--	--------	--------

Sec. 13. MINNESOTA HORTICULTURAL SOCIETY	72,000	72,000
---	--------	--------

Sec. 14. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE	4,330,000	4,330,000
---	-----------	-----------

Summary by Fund

General	4,130,000	4,130,000
---------	-----------	-----------

Special Revenue	200,000	200,000
-----------------	---------	---------

\$200,000 each year is for a grant to the natural resources research institute for hybrid tree management research and development of an implementation plan for establishing hybrid tree plantations in the state. This appropriation is available to the extent matched by \$2 of nonstate money for each \$1 of state money.

Sec. 15. ATTORNEY GENERAL	40,000
---------------------------	--------

This appropriation is from the solid waste fund for the voluntary insurance buy-out program evaluation required by Laws 1994, chapter 639, article 2, section 5.

Sec. 16. PUBLIC SAFETY	50,000
------------------------	--------

\$50,000 is appropriated from the highway user tax distribution fund to the commissioner of public safety for costs of handling and

manufacturing special license plates under section 85.

Sec. 17. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING

100,000

100,000

\$100,000 the first year and \$100,000 the second year are for the sustainable development initiatives round table.

Sec. 18. TRADE AND ECONOMIC DEVELOPMENT

100,000

This appropriation is from the general fund to the commissioner of trade and economic development for grants to political subdivisions for projects that provide for improved resource management, tourism promotion, and economic development for American resorts on the Minnesota-Ontario border area of Lake of the Woods, Rainy River, and Rainy Lake.

Sec. 19. MINNESOTA RESOURCES

Subdivision 1. Total
Appropriation

32,872,000

Summary by Fund

Minnesota Future
Resources Fund

15,083,000

Environment and
Natural Resources
Trust Fund

15,604,000

Of this appropriation \$3,144,000 is trust fund acceleration.

Oil Overcharge
Money in the Special
Revenue Fund

2,055,000

Great Lakes Protection
Account

130,000

The amounts in this section are appropriated for the biennium ending June 30, 1997. Unless otherwise provided, the projects in this section must be completed and final products delivered by June 30, 1997.

Subd. 2. Definitions

(a) "Future resources fund" means the Minnesota future resources fund referred to in Minnesota Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(c) "Trust fund acceleration" means the money referred to in Minnesota Statutes, section 116P.11, paragraph (b), clause (4).

(d) "Oil overcharge money" means the money referred to in Minnesota Statutes, section 4.071, subdivision 2.

(e) "Great lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

Subd. 3. Legislative Commission
on Minnesota Resources

702,000

\$308,000 of this appropriation is from the future resources fund and \$394,000 is from the trust fund, pursuant to Minnesota Statutes, section 116P.09, subdivision 5.

Subd. 4. Parks and Trails

(a) METROPOLITAN REGIONAL
PARK SYSTEM

3,950,000

This appropriation is from the trust fund for payment by the commissioner of natural resources to the metropolitan council for subgrants to rehabilitate, develop, acquire, and retrofit the metropolitan regional park system consistent with the metropolitan council regional recreation open space capital improvement program and subgrants for regional trails, consistent with an updated regional trail plan. \$1,666,000 of this appropriation is from the trust fund acceleration.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(b) STATE PARK AND RECREATION AREA
ACQUISITION, DEVELOPMENT, BETTERMENT,
AND REHABILITATION

3,150,000

This appropriation is from the trust fund to the commissioner of natural resources as follows: (1) for state park and recreation area acquisition \$1,070,000, of which up to \$670,000 may be used for state trail acquisition of a critical nature; (2) for state park and recreation area development \$680,000; and (3) for betterment and rehabilitation of state parks and recreation areas \$1,400,000. The use of the Minnesota conservation corps is encouraged in the rehabilitation and development.

\$1,384,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTEA money in eligible categories

and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(c) STATE TRAIL REHABILITATION
AND ACQUISITION**

250,000

This appropriation is from the trust fund to the commissioner of natural resources for state trail plan priorities. \$94,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTEA money and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(d) WATER ACCESS

600,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate public water access acquisition and development statewide. Access includes boating access, fishing piers, and shoreline access. Up to \$100,000 of this appropriation may be used for a cooperative project to acquire and develop land, local park facilities, an access trail, and a boat access at the LaRue pit otherwise consistent with the water access program.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) LOCAL GRANTS

1,800,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide matching grants, as follows: (1) \$500,000 to local units of government for local park and recreation areas; (2) \$500,000 to local units of government for natural and scenic areas pursuant to Minnesota Statutes, section 85.019; (3) \$400,000 to local units of government for trail linkages between communities, trails, and parks; and (4) \$400,000 for a conservation partners program, a statewide pilot to encourage private organizations and local governments to cost share enhancement of fish, wildlife, and native plant habitats; and research and surveys of fish and wildlife, and related education activities. Conservation partners grants may be up to \$10,000 each and must be equally matched. In addition to the required work program, grants may not be approved until grant proposals to be

funded have been submitted to the legislative commission on Minnesota resources and the commission has either made a recommendation or allowed 60 days to pass without making a recommendation. The above appropriations are available half for the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and half for outside of the metropolitan area. For the purpose of this paragraph, match includes nonstate contributions either cash or in-kind.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(f) MINNEAPOLIS PARK AND
TRAIL CONNECTIONS**

141,000

This appropriation is from the future resources fund to the commissioner of transportation for half of the nonfederal match of ISTEA projects for the Minneapolis park and recreation board to develop park and trail connections including: Minnehaha park to Mendota bridge, Stone Arch bridge to bridge number 9 on West River Parkway, Boom island to St. Anthony Parkway, and West River Parkway to Shingle Creek Parkway. The Minneapolis park and recreation board must apply for and receive approval of the federal money in order to receive this appropriation.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(g) LOCAL SHARE FOR ISTEA
FEDERAL PROJECTS**

300,000

This appropriation is from oil overcharge money to the commissioner of administration for half of the nonfederal match of ISTEA projects for: (1) Chisago county, \$150,000 for a trail between North Branch and Forest Lake township; and (2) the St. Louis and Lake counties regional rail authority, \$150,000 for the development of approximately 40 miles of a multipurpose recreational trail system. Chisago county and the St. Louis and Lake counties regional rail authority must apply for and receive approval of the federal money in order to receive these appropriations.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(h) PINE POINT PARK REST STATION

100,000

This appropriation is from the future resources

fund to the commissioner of natural resources for an agreement with Washington county to construct a rest station on the Gateway segment of the Willard Munger state trail in compliance with the Americans with Disabilities Act. This appropriation must be matched by at least \$30,000 of nonstate money.

(i) INTERACTIVE MULTIMEDIA COMPUTER INFORMATION SYSTEM

45,000

This appropriation is from the future resources fund to the commissioner of trade and economic development, office of tourism, for an agreement with Explore Lake County, Inc. to develop a pilot multimedia interactive computer information system at the R. J. Houle visitor information center.

(j) UPPER SIOUX AGENCY STATE PARK

200,000

This appropriation to the commissioner of natural resources is from the future resources fund for bathroom and shower facilities at Upper Sioux Agency State Park.

(k) GRAIN BELT MISSISSIPPI RIVERFRONT DEVELOPMENT

500,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board, which shall cooperate with the Minneapolis community development agency to create riverfront recreational park and marina facilities through acquisition and development of Mississippi riverfront property. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system. This appropriation is also contingent on the Guthrie theater's occupancy of the Grain Belt Brewery.

(l) WILDCAT REGIONAL PARK

40,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Houston county to construct an off-channel boat ramp on the Mississippi River, and wingwalls to protect the ramp and existing swimming beach.

Subd. 5. Management Approaches

(a) LOCAL RIVER PLANNING - CONTINUATION

140,000

This appropriation is from the future resources fund to the commissioner of natural resources for the third biennium of a three-biennium project to assist counties statewide in developing

comprehensive plans for the management and protection of rivers through grants for up to two-thirds of the cost that address locally identified issues while maintaining consistency with state floodplain and shoreland laws and local water plans. For the purpose of this paragraph, the nonstate portion includes contributions either cash or in-kind. The appropriation in Laws 1993, chapter 172, section 14, subdivision 11, paragraph (b), is available until June 30, 1997.

(b) CANNON RIVER WATERSHED STRATEGIC PLAN: INTEGRATED MANAGEMENT

325,000

\$245,000 of this appropriation is from the trust fund and \$80,000 is from the future resources fund to the board of water and soil resources for an agreement with the Cannon River Watershed Partnership to implement activities in the Cannon River watershed through matching grants and technical assistance. This appropriation must be matched by at least \$81,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(c) TRI-COUNTY LEECH LAKE WATERSHED PROJECT

300,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Cass county in cooperation with the Tri-County Leech Lake Watershed project for integrated resource management in the watershed through baseline data, public information and education, and pilot projects.

(d) BLUFFLANDS LANDSCAPE

630,000

\$450,000 of this appropriation is from the trust fund and \$180,000 is from the future resources fund to the commissioner of natural resources to assist communities in developing a management framework for the scenic and biological resources of the Mississippi valley blufflands landscape and to foster integrated decisions and citizen commitment to long-term resource protection. \$304,000 is for a cooperative agreement with Architectural Environments; at least \$40,000 of this amount must be used for demonstration and implementation activities. \$236,000 is for a cooperative agreement with Historic Bluff Country. \$90,000 is for expenses within the department of natural resources. This appropriation must be matched by at least \$50,000 of nonstate money.

**(e) GLACIAL LAKE AGASSIZ BEACH
RIDGES: MINING AND PROTECTION**

85,000

This appropriation is from the future resources fund to the commissioner of natural resources to coordinate a long-term plan for the beach ridges in Clay county that balances protection of native prairies with a sustainable aggregate industry.

**(f) ATMOSPHERIC MERCURY EMISSIONS,
DEPOSITION, AND ENVIRONMENTAL COST
EVALUATION**

575,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a mercury emission inventory and quantification of mercury atmospheric deposition. \$50,000 is for an evaluation of the external costs of mercury emissions from Minnesota sources.

**(g) MERCURY DEPOSITION AND
LAKE QUALITY TRENDS**

250,000

\$120,000 of this appropriation is from the future resources fund and \$130,000 is from the Great Lakes protection account to the commissioner of the pollution control agency for an agreement with the University of Minnesota-Duluth to synthesize and interpret a five-year (1990-1994) mercury deposition database and evaluate water quality and fish contamination trends for 80 high-value lakes and compare it with historic data. This is to be done in cooperation with the pollution control agency. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) FEEDLOT AND MANURE MANAGEMENT
PRACTICES ASSISTANCE**

200,000

This appropriation is from the future resources fund to the commissioner of agriculture to accelerate adoption of and changes in feedlot and manure management practices through research, economic analysis, and enhanced program design and delivery. \$100,000 of this appropriation is for an agreement with the University of Minnesota for evaluation of manure effluent treatments.

**(i) WATER QUALITY IMPACTS OF FEEDLOT
POLLUTION CONTROL SYSTEMS**

300,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency to evaluate earthen manure storage basins and vegetated filter strips for effects on ground and surface water quality by monitoring seepage and runoff. This appropriation must be matched by at least \$267,000 of nonstate contributions, either cash or in-kind.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(j) SHORELAND SEPTIC INVENTORY
AND EDUCATION**

145,000

This appropriation is from the future resources fund to the board of water and soil resources in cooperation with the pollution control agency for an agreement with Hubbard county to inventory the Mantrap watershed for failing septic systems and education and enforcement efforts to implement upgrading of the systems. In the work program for this project required under Minnesota Statutes, section 116P.05, subdivision 2, paragraph (c), Hubbard county shall include documentation that the county is actively pursuing adoption of a countywide ordinance to regulate individual sewage treatment systems.

**(k) ALTERNATIVE INDIVIDUAL SEWAGE
TREATMENT SYSTEMS DEVELOPMENT AND
DEMONSTRATION**

425,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency to develop and demonstrate reliable, low cost alternative designs for septic systems in areas with seasonally high water tables, and designs for removal of nitrogen by septic systems.

**(l) PATHWAYS TO SUSTAINABLE
DEVELOPMENT**

200,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning for the environmental quality board to evaluate government barriers to sustainable development in agriculture, energy, manufacturing, and settlement and to recommend strategies to address priority barriers to sustainable development.

**(m) UPPER MISSISSIPPI RIVER
PROTECTION PROJECT**

200,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Mississippi headwaters board in cooperation with the metropolitan council to protect the Mississippi river from water quality impairment. This appropriation must be matched by at least \$100,000 of nonstate contributions, either cash or in-kind.

**(n) FOREST MANAGEMENT TO MAINTAIN
STRUCTURAL AND SPECIES DIVERSITY**

160,000

This appropriation is from the trust fund to the commissioner of natural resources to document

forest management practices in a pilot area, assess the long-term effects of current and alternative timber harvest practices on structural aspects of biological diversity (especially old-growth forest characteristics), and prepare forest management guidelines to maintain these features in commercial forests.

**(o) ACCELERATED NATIVE GRASS AND FORBS
ON ROAD RIGHTS-OF-WAY**

150,000

This appropriation is from the trust fund to the commissioner of natural resources in cooperation with the interagency roadside committee to accelerate native plant establishment and management in roadsides using integrated resource management techniques including educational materials about benefits of low maintenance and biologically diverse roadsides statewide.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(p) ACCELERATED LANDSCAPE MANAGEMENT
ACTIVITIES IN WHITEWATER WATERSHED**

60,000

This appropriation is from the future resources fund to the commissioner of natural resources to expand activities in the Whitewater watershed through shared funding and staffing to assist and coordinate with the Whitewater watershed project on landscape management activities such as sustainable land use, watershed restoration, and improved water quality.

**(q) SUSTAINABLE GRASSLAND CONSERVATION
AND UTILIZATION**

125,000

This appropriation is from the future resources fund to the commissioner of natural resources to develop integrated grassland projects in northwest Minnesota and to evaluate different management strategies.

**(r) DEVELOPING, EVALUATING, AND
PROMOTING SUSTAINABLE FARMING SYSTEMS**

225,000

This appropriation is from the future resources fund to the commissioner of agriculture for an agreement with the Whitewater joint powers board to develop and evaluate farming systems for impacts on ecosystems, profitability, and quality of life through on-farm research, experiment station research, watershed demonstration farms, and education. This appropriation must be matched by at least \$50,000 of nonstate money.

**(s) COOPERATIVES TO PROMOTE
SUSTAINABLE AGRICULTURAL PRACTICES
AND RESEARCH**

100,000

This appropriation is from the future resources fund to the commissioner of agriculture for an agreement with the sustainable farming association of Minnesota to promote sustainable farming practices by strengthening farmer-based demonstration and education networks of the sustainable farming association and by forming a pilot cooperative of on-farm and southwest experiment station research. This appropriation must be matched by at least \$15,000 of nonstate money.

(t) RECYCLED BIOSOLIDS PRODUCT USED
TO RECLAIM DISTURBED AREAS

200,000

This appropriation is from the oil overcharge money to the commissioner of administration for payment to the metropolitan council in cooperation with N-Viro, Minnesota to increase the market for biosolids by demonstrating the use of N-Viro soil for reclamation through a program of research and field and public demonstrations.

Subd. 6. Environmental Education

(a) LEOPOLD EDUCATION PROJECT
CURRICULUM

100,000

This appropriation is from the trust fund to the office of environmental assistance for an agreement with Pheasants Forever, Inc. to provide teacher training in the use of the Leopold education project conservation ethics curriculum. This appropriation must be matched by at least \$50,000 of nonstate money.

(b) ENVIRONMENTAL EDUCATION
TEACHER TRAINING

500,000

This appropriation is from the trust fund to the office of environmental assistance in cooperation with the environmental education advisory board to develop and deliver statewide environmental education training for preservice and in-service teachers.

(c) SHARING ENVIRONMENTAL
EDUCATION KNOWLEDGE

200,000

This appropriation is from the trust fund to the office of environmental assistance in cooperation with the environmental education advisory board to plan and develop an information data exchange and service center that coordinates the collection, evaluation, dissemination, and promotion of environmental education resources and programs.

(d) ENVIRONMENTAL VIDEO RESOURCE
LIBRARY AND PUBLIC TELEVISION SERIES

250,000

This appropriation is from the future resources

fund to the office of environmental assistance in cooperation with the environmental education advisory board for an agreement with Twin Cities Public Television to create a resource information center for environmental video and to produce and broadcast an environmental television series about Minnesota environmental achievements.

(e) DEVELOPMENT, ASSIMILATION, AND DISTRIBUTION OF WOLF EDUCATIONAL MATERIALS

100,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the International Wolf Center to collect and develop written, electronic, and photographic audio-visual material about wolf ecology, recovery, and management for electronic distribution. This appropriation must be matched by at least \$30,000 of nonstate money.

(f) ENVIRONMENTAL ACTION GRANTS FOR MINNESOTA SCHOOLS

200,000

This appropriation is from the trust fund to the department of natural resources for an agreement with St. Olaf college for the school nature area project matching grants to schools for school area nature sites. This appropriation must be matched by at least \$50,000 of nonstate money.

(g) ELECTRONIC ENVIRONMENTAL EDUCATION NETWORK

250,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the University of Minnesota raptor center to develop a program for student participation in satellite-tracking research, data collection and dissemination using INTERNET, workshops, material development, and off-site classroom experience. This appropriation must be matched by at least \$38,000 of nonstate money.

(h) THREE RIVERS INITIATIVE

750,000

This appropriation is from the future resources fund to the Science Museum of Minnesota to develop exhibits and programs focusing on the Mississippi, Minnesota, and St. Croix rivers.

(i) INTERACTIVE COMPUTER EXHIBIT ON MINNESOTA RENEWABLE ENERGY SOURCES

150,000

This appropriation is from oil overcharge money to the commissioner of administration for an agreement with the Izaak Walton League of America, midwest office in cooperation with the Science Museum of Minnesota to develop and

disseminate an interactive multimedia computer exhibit on renewable energy resources.

(j) TREES FOR TEENS: TRAINING, RESOURCES, EDUCATION, EMPLOYMENT, SERVICE

75,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Twin Cities Tree Trust to develop a pilot program and curriculum materials for educating high school students about urban forestry and assisting them in carrying out peer education and community service projects. This project must be done in cooperation with the Minnesota releaf program.

(k) REDWOOD FALLS SCHOOL DISTRICT NO. 637 ENVIRONMENTAL EDUCATION PROJECT

250,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the Redwood Falls school district to accelerate development of an outdoor environmental learning center and to integrate environmental education into the K-12 curriculum. Project development will include prairie access improvements including a trail system, establishment of a wetland, and an arboretum.

(l) TOGETHER OUTDOORS MINNESOTA

575,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Wilderness Inquiry for diversity specialist training, training of outdoor service professionals to provide inclusive programming, and diversity networking, including the development of a directory of recreation facility accessibility. This appropriation must be matched by at least \$80,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(m) ENHANCED NATURAL RESOURCE OPPORTUNITIES FOR ASIAN-PACIFIC MINNESOTANS

150,000

This appropriation is from the future resources fund to the commissioner of natural resources for the second biennium of funding for community outreach, cultural collaboration, training, and education to increase Asians' participation and understanding of natural resources management. Supplemental funding must be requested and the results reported to the legislative commission on Minnesota resources.

**(n) DELIVER ECOLOGICAL INFORMATION
AND TECHNICAL ASSISTANCE TO
LOCAL GOVERNMENTS**

100,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide interpretation of ecological data collected by the county biological survey.

**(o) NONPOINT SOURCE POLLUTION
PUBLIC EDUCATION DEMONSTRATION PROJECT**

100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for an agreement with the city of St. Paul for a joint project with the city of Minneapolis to conduct surveys and develop and implement nonpoint source pollution public education. This appropriation must be matched by at least \$12,000 of nonstate money.

(p) WHITETAIL DEER RESOURCE CENTER

50,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to develop a facility and operations plan. This appropriation must be matched by \$50,000 of nonstate money.

**(q) GORDON GULLION CHAIR IN FOREST
WILDLIFE RESEARCH AND EDUCATION**

350,000

This appropriation is from the future resources fund to the University of Minnesota to establish an endowed chair in forest wildlife research and education to develop forest and wildlife sustainable management practices. This appropriation must be matched by at least \$350,000 of nonstate money. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(r) NEY ENVIRONMENTAL CENTER

100,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Le Sueur county to develop an environmental learning center in the Minnesota River Valley near Henderson. The appropriation shall be used to convert existing buildings to classrooms, add restroom facilities and improve access, and remove unneeded structures.

(s) LAWDALE ENVIRONMENTAL CENTER

400,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Lawndale Environmental Foundation to develop an environmental learning

center near Herman with emphasis on prairie, wetlands, and agricultural themes. This appropriation must be matched by at least \$100,000 of nonstate money.

Subd. 7. Natural Resource Data

(a) ENVIRONMENTAL INDICATORS INITIATIVE 350,000

This appropriation is from the trust fund to the commissioner of natural resources to create the framework for an integrated, statewide network for selecting and monitoring environmental indicators to assess and communicate Minnesota's environmental health status and trends. The work program must be submitted to the environmental quality board for review before approval by the legislative commission on Minnesota resources. Data compatibility requirements in subdivision 14 apply to this appropriation.

(b) ASSESSING WETLAND QUALITY WITH ECOLOGICAL INDICATORS 275,000

This appropriation is from the trust fund to the board of water and soil resources for an agreement with the University of Minnesota to develop plant and animal indicators of wetland quality, establish a system of reference natural wetlands for comparative monitoring, and develop guidelines for wetland assessment and monitoring to guide replacement wetland monitoring. Data compatibility requirements in subdivision 14 apply to this appropriation.

(c) COUNTY BIOLOGICAL SURVEY - CONTINUATION 900,000

This appropriation is from the trust fund to the commissioner of natural resources for the fifth biennium of a proposed 12-biennium project to accelerate the county biological survey for the systematic collection, interpretation, and distribution of data on the distribution and ecology of rare plants, animals, and natural communities. Data compatibility requirements in subdivision 14 apply to this appropriation.

(d) FOREST BIRD DIVERSITY INITIATIVE - CONTINUATION 400,000

This appropriation is from the trust fund to the commissioner of natural resources for the third biennium of a proposed six-biennium project for a comprehensive monitoring and research program that develops management tools to maintain diversity of forest birds and establishes benchmarks for using birds as ecological indicators of forest health. Data compatibility requirements in subdivision 14 apply to this

appropriation. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(e) BASE MAPS FOR 1990s - FINAL
PHASE CONTINUATION**

600,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning to provide the third biennium of a three-biennium state match for a federal program to complete statewide coverage of orthophoto maps and complete the update mapping for the state's most obsolete topographic maps. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(f) COMPLETION OF STATEWIDE LAND USE
UPDATE - CONTINUATION**

380,000

This appropriation is from the future resources fund to the director of the office of strategic and long-range planning, in cooperation with the board of water and soil resources, for an agreement with the association of Minnesota counties for the third and final biennium to complete the update of the land use map for Minnesota, complete conversion of the data to computer format, and make the data available to users. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(g) FILLMORE COUNTY SOIL
SURVEY UPDATE**

65,000

This appropriation is from the future resources fund to the board of water and soil resources to provide half of the nonfederal share to begin a three-biennium project to update the Fillmore county soil survey into a digitized and manuscript format. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) MINNESOTA RIVER TILE SYSTEM
RESEARCH - CONTINUATION**

150,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for the second biennium of a two-biennium project to continue research on the impact of and best management practices for surface tile inlets.

**(i) SUGARLOAF SITE ASSESSMENT AND
INTERPRETATION**

70,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Sugarloaf Interpretive Center Association for inventories, native habitat

restoration, and the interpretation of the natural and cultural characteristics of Sugarloaf Cove. The data collection must be coordinated with the department of natural resources natural heritage program. Reasonable public use and access must be provided. This appropriation must be matched by \$30,000 of nonstate money.

(j) MICROBIAL DETERIORATION OF ASPHALT MATERIALS AND ITS PREVENTION

60,000

This appropriation is from the oil overcharge money to the commissioner of administration for a transfer to the commissioner of transportation to survey microbial deterioration of asphalt-bituminous materials in cooperation with Bemidji state university or other research institutions.

(k) ANALYSIS OF LANDS ENROLLED IN CONSERVATION RESERVE PROGRAM

200,000

This appropriation is from the Minnesota future resources fund to the commissioner of agriculture for continuing the analysis of lands enrolled in the conservation reserve program relative to nonpoint source pollution, developing land management options for lands emerging from the program, and developing the capability to target future program funds for the greatest environmental benefit.

Subd. 8. Urban Natural Resources

(a) URBAN WILDLIFE HABITAT PROGRAM

150,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the St. Paul neighborhood energy consortium to provide workshops and native planting materials to households for landscaping for wildlife, demonstrating plant diversity, and alternative lawn care practices in the urban environment. This project must be done in cooperation with the department of natural resources nongame wildlife and releaf programs. This appropriation must be matched by at least \$35,000 of nonstate money.

(b) GARDENING PROGRAM - STATEWIDE

300,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the sustainable resources center for a joint project with the Minnesota horticultural society - Minnesota Green and Duluth Plant-A-Lot community garden program to provide technical assistance on community plantings, food gardens, trees, native plants, and environmentally sound horticultural and land use practices. This appropriation must be matched by at least \$3,000 in nonstate money.

**(c) RELIEF: PLANTING FOR ENERGY
CONSERVATION IN COMMUNITIES** 400,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the department of natural resources for the second biennium of a project to achieve the strategic planting of predominately native shade trees and community windbreaks for statewide energy conservation and carbon dioxide abatement through acceleration of the Minnesota relief program by providing grants administered on a reimbursement basis. The program shall be administered to maximize local contributions on a cash and service basis.

**(d) MAPLEWOOD INNOVATIVE STORM
WATER MANAGEMENT PROJECT** 100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for an agreement with the city of Maplewood to design, construct, and monitor a demonstration stormwater management system. This appropriation must be matched by at least \$165,000 of nonstate money.

(e) PHALEN WETLAND RESTORATION 115,000

This appropriation is from the trust fund to the board of water and soil resources for an agreement with the city of St. Paul to restore a wetland at the south end of Lake Phalen. This appropriation must be matched by at least \$50,000 in nonstate money.

**(f) WETLAND RESTORATION AND
ENHANCEMENT TO CREATE COMMUNITY AMENITY
AND FORM** 200,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning for an agreement with the University of Minnesota to provide technical design assistance to help five communities create restored and enhanced wetlands that reinforce community form and emphasize habitat creation, water quality, and recreational amenities.

**(g) METROPOLITAN AREA GROUNDWATER
MODEL TO PREDICT CONTAMINANT MOVEMENT** 250,000

This appropriation is from the trust fund to the commissioner of the pollution control agency to develop and apply a tool to improve prediction of contaminant movement in groundwater at contamination sites in the metropolitan area using a flexible regional groundwater flow model. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) ARBORETUM BOUNDARY LAND
ACQUISITION** 680,000

This appropriation is from the future resources fund to the University of Minnesota for a grant to the University of Minnesota landscape arboretum foundation to expand the boundary of the Minnesota Landscape Arboretum and, if money is available after the intended acquisition, to develop a wetland restoration demonstration. This appropriation must be matched by at least \$400,000 nonstate money.

Subd. 9. Fisheries

(a) STATEWIDE EXPERIMENTAL
FISHING REGULATIONS

650,000

This appropriation is from the future resources fund to the commissioner of natural resources for baseline data collection to evaluate experimental fishing regulations.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(b) RIM - ACCELERATE FISHERIES
ACQUISITION FOR ANGLER ACCESS

300,000

This appropriation is from the trust fund to the commissioner of natural resources to provide increased angler access by accelerating easement and fee title acquisition of land adjacent to streams and lakes, including access for non-boat owners and urban users.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(c) RIM - ACCELERATE STATEWIDE
FISHERIES HABITAT DEVELOPMENT,
HATCHERY REHABILITATION, AND
STREAM FLOW PROTECTION

1,000,000

\$555,000 of this appropriation is from the trust fund and \$445,000 is from the future resources fund to the commissioner of natural resources to implement projects for the acquisition, restoration, improvement, and development of fisheries habitat and hatchery rehabilitation. Up to \$215,000 of the trust fund appropriation is available to continue the stream flow protection program for the second biennium of a proposed eight-biennium effort to establish a watershed level stream habitat database and develop the tools to set protected flows for ecosystem diversity. Data compatibility requirements in subdivision 14 apply to this appropriation.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

Subd. 10. Wildlife

(a) RIM - ACCELERATE WILDLIFE
LAND ACQUISITION

650,000

\$510,000 of this appropriation is from the trust fund and \$140,000 is from the future resources fund to the commissioner of natural resources to accelerate acquisition activities in the reinvest in Minnesota program by acquiring land identified in North American waterfowl management plan project areas. This appropriation must first be used for projects qualifying for a match, which may include costs for acquisition, enhancements, and wetland restoration.

(b) RIM - ACCELERATE CRITICAL
HABITAT MATCH PROGRAM

250,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program to acquire and improve critical habitat for game and nongame fish, wildlife, and native plants under Minnesota Statutes, section 84.943. Projects must occur in both urban and rural areas.

(c) RIM - ACCELERATE WILDLIFE
HABITAT STEWARDSHIP

450,000

This appropriation is from the future resources fund to the commissioner of natural resources for improvement of wildlife habitat and natural plant communities statewide, both urban and rural public lands, to protect and enhance wildlife, native plant species, and ecological diversity.

(d) BIOMASS PRODUCTION, MANAGEMENT AND
RESTORATION OF BRUSHLAND HABITATS

200,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the University of Minnesota-Duluth in cooperation with the natural resources research institute and the Minnesota Sharptailed Grouse Society to assess brushland harvesting, brushland as wildlife habitat, and habitat management strategies.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) TURN IN POACHERS YOUTH ACTIVITY BOOK

50,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with TIP, Inc. to print and disseminate an activity book to inform and educate children about poaching and its impact on natural resources, and to promote ethical hunting and fishing. This appropriation must be matched by at least \$12,500 of nonstate money.

Subd. 11. Energy

(a) INTER-CITY ELECTRIC VEHICLE
TRANSPORTATION DEMONSTRATION

150,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Minnesota Power and Light Company to develop and evaluate an electric vehicle infrastructure with charging stations for use between Duluth and St. Paul, including installation of a charging station at the state of Minnesota central motor pool location. This appropriation must be matched by at least \$30,000 of nonstate money.

(b) SUSTAINABLE DEVELOPMENT OF WIND
ENERGY ON FAMILY FARMS

200,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the sustainable resources center to provide technical assistance and technology transfer for the development of wind energy harvesting.

(c) ONE-MEGAWATT HYBRID ELECTRICAL
GENERATION SIMULATION PROJECT

50,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Dan Mar & Associates in cooperation with the agriculture utilization research institute for a simulation project using biofuel electrical generation to firm up wind power to provide electrical energy on demand.

(d) AVIAN POPULATION ANALYSIS FOR
WIND POWER GENERATION REGIONS

75,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with American Wind Energy Association to identify and assess significant avian activity areas within identified wind farm corridors in Minnesota. This appropriation must be matched by at least \$75,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) ENERGY IMPROVEMENTS IN PUBLIC
ICE ARENAS

470,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the Center for Energy and Environment to assess, install, and evaluate energy and indoor air quality improvements in at least 25 publicly owned ice arenas located

throughout Minnesota. Projects receiving funding from this appropriation must be in compliance with the indoor ice facilities prime ice time and gender preference requirements in Minnesota Statutes, section 15.98. This appropriation is for up to 50 percent of the cost of retrofit activities.

Subd. 12. Historic

**(a) RESTORE HISTORIC MISSISSIPPI
RIVER MILL SITE**

120,000

This appropriation is from the future resources fund to the Minnesota historical society for a subgrant to the Minneapolis park and recreation board to implement an agreement with Crown Hydro Company to restore gatehouse foundations, construct catwalks and lighting through the tailrace tunnels, and restore and display the historic turbine of the historic Crown roller mill. This activity must be done in cooperation with the St. Anthony falls heritage board. Reasonable public use and access must be provided. This appropriation must be matched by at least \$120,000 of nonstate money. This appropriation is contingent on the receipt of all applicable hydropower and other public agency approvals.

**(b) POND-DAKOTA MISSION
RESTORATION**

270,000

This appropriation is from the future resources fund to the Minnesota historical society for an agreement with the city of Bloomington to continue the restoration of the Pond house and Dakota Indian mission site. This appropriation must be matched by \$80,000 of nonstate money.

**(c) JOSEPH R. BROWN INTERPRETIVE
CENTER RESTORATION PROJECT**

75,000

This appropriation is from the future resources fund to the Minnesota historical society for an agreement with the Sibley county historical society for building restoration and renovation activities on the 1879 Sibley county courthouse, to be used as the Joseph R. Brown interpretive center. This appropriation must be matched by at least \$5,000 of nonstate money.

(d) HERITAGE TRAILS

200,000

This appropriation is from the future resources fund to the Minnesota historical society to plan and construct trails for at least three historic sites and for trail interpretive material and equipment.

**(e) RESTORATION OF HISTORIC ELBA
FIRE TOWER**

73,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Elba booster club, in consultation with the Minnesota historical society, for restoration and the development of interpretive materials and to provide access to the Elba fire tower for safe recreational and educational use. This project must be available for reasonable public use and access.

(f) MANAGING MINNESOTA SHIPWRECKS 100,000

This appropriation is from the future resources fund to the Minnesota historical society to survey historic north shore shipping facilities and shipwrecks, survey shipwrecks in Minnesota inland lakes and rivers, organize a conference on underwater cultural resources, and revise the management plan. Supplemental funding must be requested and the results reported to the legislative commission on Minnesota resources.

(g) LAC QUI PARLE MISSION HISTORICAL TRAIL 181,000

This appropriation is from the future resources fund to the Minnesota historical society to construct a mile-long trail for hiking and biking, including an overlook at the site of the historic Lac Qui Parle Mission. The trail must be accessible by persons with disabilities.

Subd. 13. Biological Control

(a) BIOLOGICAL CONTROL OF EURASIAN WATER MILFOIL AND PURPLE LOOSESTRIFE - CONTINUATION 300,000

\$250,000 of this appropriation is from the trust fund and \$50,000 is from the future resources fund to the commissioner of natural resources for the second biennium of a five-biennium project to develop biological controls for Eurasian water milfoil and purple loosestrife. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(b) BIOLOGICAL CONTROL OF OVERLAND SPREAD OF OAK WILT 90,000

This appropriation is from the future resources fund to the commissioner of agriculture in cooperation with the University of Minnesota to improve application methods for enhancing natural biological control of the overland spread of oak wilt.

(c) BENEFICIAL FUNGAL INOCULUM FOR PRAIRIE AND WETLAND RECLAMATION 100,000

This appropriation is from the trust fund to the

commissioner of transportation for an agreement with the University of Minnesota for the characterization and development of inoculum production methods for soil fungi associated with the roots of native and naturalized Minnesota plants in prairies and wetlands to assist in restoration projects.

Subd. 14. Data Compatibility Requirements

During the biennium ending June 30, 1997, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic databases with the integration costs borne by the activity receiving funding under this section.

Subd. 15. Project Requirements

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must comply with Minnesota Statutes, chapter 116P.

Subd 16. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1996, must be canceled. Unless specifically authorized, in-kind contributions may not be counted as match.

Subd. 17. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis. Payment must be made upon receiving documentation that reimbursable amounts have been expended, except that reasonable amounts may be advanced to projects in order to accommodate cash flow needs. The advances must be approved as part of the work program. No expenditures for capital equipment are allowed unless expressly authorized in the project work program.

Subd. 18. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private

corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 to 16B.123, requiring the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

Subd. 19. Carryforward

(a) Except as provided in paragraph (b), the availability of the appropriations for the following projects is extended to December 31, 1995; on that date the appropriations cancel and no further payment is authorized: Laws 1993, chapter 172, section 14, subdivisions 3, paragraphs (a), (f), and (i); 6, paragraph (b); 9; 10, paragraphs (a), (c), (g), (p), (q), and (r); and 12, paragraphs (a), (b), (c), (h), (j), and (l).

(b) The availability of the appropriations for the following projects is extended to December 31, 1996; on that date the appropriations cancel and no further payment is authorized: (1) Laws 1993, chapter 172, section 14, subdivisions 3, paragraph (c); 4, paragraph (e); 10, paragraphs (d), (f), and (o); 12, paragraphs (f) and (g); in subdivision 10, paragraph (b), the Bloomington East and West Bush Lake picnic areas; and, in subdivision 10, paragraph (c), Cedar Lake trail development and the Dakota North regional trail in South St. Paul; and (2) Laws 1994, chapter 632, article 2, section 6, local recreation grants and Silver Bay harbor.

Subd. 20. Energy Conservation

A recipient to whom an appropriation is made in this section for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards contained in law, including Minnesota Statutes, 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. 20. ADDITIONAL APPROPRIATIONS

The following amounts are appropriated from the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6. The appropriations are available until December 31, 1995, and are subject to the provisions of Laws

1993, chapter 172, section 14, subdivisions 14 to 18. If revenues are insufficient to meet these appropriations, the commissioner of finance shall reduce the amounts proportionately.

**(a) STATE PARK AND RECREATION
AREA ACQUISITION**

1,120,000

This appropriation is to the commissioner of natural resources for acquisition of land within the statutory boundaries of state parks and recreation areas.

**(b) METROPOLITAN REGIONAL PARKS AND
TRAILS ACQUISITION**

1,120,000

This appropriation is to the commissioner of natural resources for payment to the metropolitan council for subgrants to acquire parks and trails consistent with the metropolitan council regional recreation open space capital improvement plan.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

(c) The projects in this section must be completed and final products delivered by December 31, 1995, and the appropriations are available until that date.

**Sec. 21. MINNESOTA FUTURE RESOURCES
FUND TRANSFER**

As cash flow in the Minnesota future resources fund permits, but no later than June 30, 1997, the commissioner of finance, in consultation with the director of the legislative commission on Minnesota resources, shall transfer \$1,460,000 from the unencumbered balance in the fund to the general fund.

Sec. 22. MINNESOTA CONSERVATION FUND TRANSFER

The commissioner of finance shall transfer in the beginning of the biennium, \$2,500,000 from the Minnesota conservation fund created by Minnesota Statutes, section 40A.151, to the general fund.

**Sec. 23. HARMFUL SUBSTANCE
COMPENSATION ACCOUNT TRANSFER**

The commissioner of finance shall transfer the remaining balance of the harmful substance compensation account, established in Minnesota Statutes, section 115B.26, subdivision 1, to the general fund.

Sec. 24. Minnesota Statutes 1994, section 15.50, is amended by adding a subdivision to read:

Subd. 10. [NATIVE VEGETATION PLANTING.] As part of its comprehensive plan and

adopted zoning rules, the board shall give priority to the planting of native trees and shrubs, or native grasses wherever appropriate, within the capitol area.

Sec. 25. Minnesota Statutes 1994, section 15.91, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of sections 15.90 to 15.92, "agency" means a department or agency, as designated in section 15.01 and, the pollution control agency, and the agricultural utilization research institute established in section 1160.09.

Sec. 26. Minnesota Statutes 1994, section 16A.125, is amended to read:

16A.125 [STATE FOREST TRUST LANDS.]

Subd. 5. [~~SUSPENSE ACCOUNT~~ FOREST TRUST LANDS.] The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

The commissioner of finance and the treasurer shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

After a fiscal year, the commissioner of finance shall certify the total costs incurred for forestry during that year under appropriations for the protection, improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the lands. The commissioner of natural resources shall supply the commissioner of finance with the information needed for the certificate.

After a fiscal year, the commissioner and the treasurer shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(a) The amount of the certified costs incurred by the state for forest management during the fiscal year shall be transferred to the general fund.

(b) The balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

Subd. 5a. [APPROPRIATION FROM STATE FOREST DEVELOPMENT ACCOUNT.] Money accruing and credited to the state forest development account is appropriated to the division of forestry in the department of natural resources to apply state forest resource management policy and plans to forest trust fund lands. The appropriation is supervised and controlled by the commissioner of natural resources.

The appropriation shall be spent according to law and remains available until spent. The appropriation is not available for spending until any estimates required by law are approved by the commissioner of finance. An obligation to spend money may not be made unless there is an available balance not otherwise encumbered in the appropriation.

Subd. 6. [~~DEFINITION; ACCOUNTING AND DISTRIBUTION.~~] ~~The term "state trust fund lands," as used in this section, means any state school lands or other public lands subject to trust provisions under the state constitution.~~

~~Beginning July 1, 1955, the commissioner of finance and the state treasurer shall keep a separate account of all receipts derived from the royalties on, or the sale or lease of, any minerals from such trust fund lands to be known as the state lands and minerals suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.~~

~~As soon as practicable after the close of each fiscal year after July 1, 1955, the commissioner of finance, upon the information supplied by the commissioner of natural resources, which the commissioner of natural resources is herewith directed to furnish, shall determine and certify to the commissioner of finance and the state treasurer the total costs incurred by the state during such year under appropriations heretofore made for the administration and management of such trust~~

~~fund lands by the division of lands and forestry, or any other agency so administering and managing, specifying the trust funds interested in such lands, respectively.~~

~~As soon as practicable after the end of each fiscal year beginning with the year ending June 30, 1956, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state lands and minerals suspense account during such fiscal year as follows:~~

~~All of the costs incurred by the state for the purposes aforesaid during such fiscal year and certified as hereinbefore provided, shall be transferred to the general fund as reimbursement for appropriations heretofore made for the purposes aforesaid. The balances of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the minerals from which the receipts were derived.~~

Subd. 6a. [UNIVERSITY LANDS.] (a) As used in this section, "university lands" means lands granted by the federal government for the support of the University of Minnesota, as described in Laws 1851, chapter 3, section 2.

(b) All revenue from minerals on university lands must be credited to the university lands and minerals suspense account. Money in the account must be transferred to the permanent university fund, except for amounts appropriated to cover reasonable costs incurred by the commissioner of natural resources to protect, improve, administer, manage, and otherwise enhance the mineral value of university lands.

Sec. 27. Minnesota Statutes 1994, section 16B.405, subdivision 2, is amended to read:

Subd. 2. [SOFTWARE SALE FUND.] (a) Except as provided in paragraph (b), proceeds of the sale or licensing of software products or services by the commissioner must be credited to the intertechnologies revolving fund. If a state agency other than the department of administration has contributed to the development of software sold or licensed under this section, the commissioner may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds of the sale or licensing of software products or services developed by the pollution control agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

Sec. 28. Minnesota Statutes 1994, section 17.117, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] The commissioner shall establish, adopt rules for, and implement a program to work with make loans to local units of government, federal authorities, lending institutions, and other appropriate organizations to who will in turn provide loans to landowners and businesses for facilities, fixtures, equipment, or other sustainable practices that prevent or mitigate sources of nonpoint source water pollution. The commissioner shall establish pilot projects to develop procedures for implementing the program. The commissioner shall develop administrative guidelines to implement the pilot projects specifying criteria, standards, and procedures for making loans.

Sec. 29. Minnesota Statutes 1994, section 17.117, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Applicant" means a county or a local government unit designated by a county under subdivision 8, paragraph (a).

(b) "Authority" means the Minnesota public facilities authority as established in section 446A.03.

(c) "Best management practices" has the meaning given in sections 103F.711, subdivision 3, and 103H.151, subdivision 2.

(d) "Chair" means the chair of the board of water and soil resources or the designee of the chair.

(e) "Borrower" means an individual farmer, an agriculture supply business, or rural landowner applying for a low-interest loan.

(f) "Commissioner" means the commissioner of agriculture or the designee of the commissioner.

(g) "Comprehensive water management plan" means a state approved and locally adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or 103D.405.

(h) "~~County~~ Local allocation request" means a loan allocation request from an applicant to implement agriculturally related best management practices defined in paragraph (c).

(i) "Lender agreement" means ~~an~~ a loan agreement entered into between the commissioner ~~and~~, a local lender, and the applicant, ~~if different from the local lender~~. The agreement will contain terms and conditions of the loan that will include but need not be limited to general loan provisions, loan management requirements, application of payments, loan term limits, allowable expenses, and fee limitations.

(j) "Local government unit" means a county, soil and water conservation district, or an organization formed for the joint exercise of powers under section 471.59.

(k) "Local lender" means a local government unit as defined in paragraph (j), a state or federally chartered bank, a savings and loan association, a state or federal credit union, a nonprofit economic development organization approved by the commissioner, or Farm Credit Services.

(l) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

Sec. 30. Minnesota Statutes 1994, section 17.117, subdivision 6, is amended to read:

Subd. 6. [APPLICATION.] (a) The commissioner must prescribe forms and establish an application process for applicants to apply for a ~~county~~ local allocation request. The application must include but need not be limited to (1) the geographic area served; (2) the type and estimated cost of activities or projects for which they are seeking a loan allocation; (3) a ranking of proposed activities or projects; and (4) the designation of the local lender and lending practices the ~~applicant~~ local lender intends to use to issue the loans to the borrowers, if a local lender other than the applicant is to be used.

~~(b) In an area of the state where a county allocation request has not been requested or has been rejected, application forms must be available for a borrower to apply directly to the commissioner for a loan under this program.~~

~~(c) If a county local allocation request is rejected, the applicant must be notified in writing as to the reasons for the rejection and given 30 days to submit a revised application. The revised application shall be reviewed according to the same procedure used to review the initial application.~~

Sec. 31. Minnesota Statutes 1994, section 17.117, subdivision 7, is amended to read:

Subd. 7. [PAYMENTS.] (a) Payments made from the water pollution control revolving fund must be made in accordance with applicable state and federal laws and rules governing the payments.

(b) Payments from the commissioner to the local lender must be disbursed on a cost-incurred basis. Local lenders shall submit payment requests at least quarterly but not more than monthly. Payment requests must be reviewed and approved by the commissioner. The payment request form must itemize all costs by major elements and show eligible and ineligible costs.

(c) The commissioner may initiate rescission of an allocation granted in a lender agreement as provided in subdivision 11, paragraph (d), if the local lender fails to enter into loans with borrowers equaling the total allocation granted within one year from the date of the lender agreement or fails to have the total amount of allocated funds drawn down through payment requests within two years. An additional year to draw down the undisbursed portion of an allocation may be granted by the commissioner under extenuating circumstances.

Sec. 32. Minnesota Statutes 1994, section 17.117, subdivision 8, is amended to read:

Subd. 8. [APPLICANT; BORROWERS.] (a) A county may submit a county local allocation request as defined in subdivision 4, paragraph (h). A county or a group of counties may designate another local government unit as defined in subdivision 4, paragraph (j); to submit a county local allocation request.

(b) If a county does not submit a county local allocation request, and does not designate another local government unit, a soil and water conservation district may submit a county local allocation request. In all instances, there may be only one request from a county. The applicant must coordinate and submit requests on behalf of other units of government within the geographic jurisdiction of the applicant.

~~(c) Borrowers may apply directly to the commissioner if the commissioner does not receive or approve a county allocation request from the county, designated local government unit, or soil and water conservation district in which the proposed activities would be carried out.~~

Sec. 33. Minnesota Statutes 1994, section 17.117, subdivision 9, is amended to read:

Subd. 9. [REVIEW AND RANKING OF ALLOCATION REQUESTS.] (a) The commissioner shall chair the subcommittee established in section 103F.761, subdivision 2, paragraph (b), for purposes of reviewing and ranking county local allocation requests. The rankings must be in order of priority and shall provide financial assistance within the limits of the funds available. In carrying out the review and ranking, the subcommittee must consist of, at a minimum, the chair, representatives of the pollution control agency, United States Department of Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, Association of Minnesota Counties, and other agencies or associations as the commissioner, the chair, and agency determine are appropriate. The review and ranking shall take into consideration other related state or federal programs.

(b) The subcommittee shall use the criteria listed below in carrying out the review and ranking:

(1) whether the proposed activities are identified in a comprehensive water management plan as priorities;

(2) whether the applicant intends to establish a revolving loan program under subdivision 10, paragraph (b);

(3) the potential that the proposed activities have for improving or protecting surface and groundwater quality;

(4) the extent that the proposed activities support areawide or multijurisdictional approaches to protecting water quality based on defined watershed;

(5) whether the activities are needed for compliance with existing water related laws or rules;

(6) whether the proposed activities demonstrate participation, coordination, and cooperation between local units of government and other public agencies;

(7) whether there is coordination with other public and private funding sources and programs; and

(8) whether there are off-site public benefits such as preventing downstream degradation and siltation; and

(9) the proposed interest rate.

Sec. 34. Minnesota Statutes 1994, section 17.117, is amended by adding a subdivision to read:

Subd. 9a. [AUTHORITY OF APPLICANTS.] Applicants may enter into a lender agreement designating a local lender. Applicants designating themselves as the local lender may enter into contracts for loan review, processing, and servicing.

Sec. 35. Minnesota Statutes 1994, section 17.117, subdivision 10, is amended to read:

Subd. 10. [AUTHORITY OF APPLICANTS LOCAL LENDERS.] (a) Applicants Local

lenders may enter into lender agreements with borrowers to finance projects under this section the commissioner.

(b) Applicants Local lenders may establish revolving loan programs enter into loan agreements with borrowers to finance projects under this section.

(c) In approving county allocation requests, the commissioner shall allow applicants to provide loans under revolving loan programs established under paragraph (b), until 50 percent of the amount appropriated and available under subdivision 3 has been allocated to applicants establishing these programs. In approving any additional county allocation requests, the commissioner may allow applicants to provide loans under these programs Local lenders may establish revolving loan programs to finance projects under this section.

(d) Local lenders, including applicants designating themselves as the local lender, may enter into participation agreements with other lenders. Local lenders may also enter into contracts with other lenders for the limited purposes of loan review, processing and servicing, or to enter into loan agreements with borrowers to finance projects under this section. Other lenders entering into contracts with local lenders under this section must meet the definition of local lender in subdivision 4, must comply with all provisions of the lender agreement and this section, and must guarantee repayment of the loan funds to the local lender. In no case may there be more than one local lender per county or more than one revolving fund per county.

Sec. 36. Minnesota Statutes 1994, section 17.117, subdivision 11, is amended to read:

Subd. 11. [BORROWER ELIGIBILITY; TERMS; REPAYMENT; RECISION.] (a) Local lenders shall use the following criteria in addition to other criteria they deem necessary in determining the eligibility of borrowers for loans:

(1) whether the activity is certified by a local unit of government as meeting priority needs identified in a comprehensive water management plan and is in compliance with accepted standards, specifications, or criteria;

(2) whether the activity is certified as eligible under Environmental Protection Agency or other applicable guidelines; and

(3) whether the repayment is assured from the borrower.

(b) Local lenders shall set the terms and conditions of loans to borrowers, except that no loan to an individual borrower may exceed \$50,000. In all instances, local lenders must provide for sufficient collateral or protection for the loan principal. They are responsible for collecting repayments by borrowers. For direct loans, the borrower must provide sufficient collateral and repay the loan according to a mutually prearranged schedule with the commissioner.

(c) A The local lender is responsible for repaying the principal of a loan to the commissioner. The terms of repayment will be identified in the lender agreement. If defaults occur, it is the responsibility of the local lender to obtain repayment from the borrower. Default on the part of individual borrowers shall have no effect on the local lender's responsibility to repay its loan from the commissioner whether or not the local lender fully recovers defaulted amounts from individual borrowers. For revolving loan programs established under subdivision 10, paragraph (b) (c), the lender agreement must provide that:

(1) repayment of principal to the commissioner must begin no later than ten years after the date of the applicant receives the allocation lender agreement and must be repaid in full no later than 20 years after the date of the lender agreement; and

(2) after the initial ten-year period, the local lender shall not write any additional loans, and any existing principal balance held by the local lender shall be immediately repaid to the commissioner;

(3) after the initial ten-year period, all principal received by the local lender from borrowers shall be repaid to the commissioner as it is received; and

(4) the applicant shall report to the commissioner annually regarding the past and intended uses of the money in the revolving loan program.

(d) Continued availability of the allocation granted in the lender agreement is contingent upon commissioner approval of the annual report. The commissioner shall review the annual report to ensure the past and future uses of the funds are consistent with the comprehensive water management plan and the lender agreement. If the commissioner concludes the past or intended uses of the money are not consistent with the comprehensive water management plan or the lender agreement, the commissioner shall rescind the allocation granted under the lender agreement. Such rescission shall result in termination of available allocation, the immediate repayment of any unencumbered funds held by the local lender in a revolving loan fund, and the repayment of the principal portion of loan repayments to the commissioner as they are received. The lender agreement shall reflect the commissioner's rights under this paragraph.

(e) A local lender shall receive certification from local government unit staff that a project has been satisfactorily completed prior to releasing the final loan disbursement.

Sec. 37. Minnesota Statutes 1994, section 17.117, subdivision 14, is amended to read:

Subd. 14. [FEES; LOAN SERVICES AND INTEREST.] (a) Origination fees charged directly to borrowers by local lenders upon executing a loan shall not exceed one-half of one percent of the loan amount. Servicing fees Interest assessed to loan repayments by the local lender must not exceed two three percent interest on outstanding principal amounts if the local lender is a local government unit, or three percent interest on outstanding principal amounts if the local lender is a state or federally chartered bank, savings and loan association, a state or federal credit union, or an entity of Farm Credit Services.

(b) The local lender shall create a principal account to which the principal portions of individual borrower loan repayments will be credited.

(c) Any interest earned on outstanding loan balances not separated as repayments are received and before the principal amounts are deposited in the principal account shall be added to the principal portion of the loan to the local lender and must be paid to the commissioner when the principal is due under the lender agreement.

(d) Any interest earned on the principal account must be added to the principal portion of the loan to the local lender and must be paid to the commissioner when the principal is due under the lender agreement.

Sec. 38. Minnesota Statutes 1994, section 17.117, subdivision 16, is amended to read:

Subd. 16. [ASSESSMENT AGAINST REAL PROPERTY LIENS AGAINST PROPERTY.] A county may assess and charge against real property amounts loaned and servicing fees for projects funded under this section. The auditor of the county where the project is located shall extend the amounts assessed and charged on the tax roll of the county against the real property on which the project is located. (a) Unless a county determines otherwise, at the time of the disbursement of funds on a loan to a borrower under this section, the principal balance due plus accrued interest on the principal balance as provided by this section becomes a lien in favor of the county making the loan upon the real property on which the project is located. The lien must be first and prior to all other liens against the property, including state tax liens, whether filed before or after the placing of a lien under this subdivision, except liens for special assessments by the county under applicable special assessments laws, which liens shall be of equal rank with the lien created under this subdivision. A lien in favor of the county shall be first and prior as provided in this subdivision only if the county making the loan gives written notice of the intent to make the loan under this subdivision to all other persons having a recorded interest in the real property subject to the lien, no less than 30 days prior to the disbursement of the funds, and receives an agreement to subordinate superior lien positions held by all other lenders having a recorded interest in the real property subject to the lien. This lien and subordination agreement must be recorded against the real estate in the county recorder's office or filed with the registrar of titles for the county or counties in which the property is located. The county may bill amounts due on the loan on the tax statement for the property. Enforcement of the lien created by this subdivision shall, at the county's option, be in the manner set forth in chapter 580 or 581. When the amount due plus interest has been paid, the county shall file a satisfaction of the lien created under this subdivision.

(b) A county may also secure amounts due on a loan under this section by taking a purchase

money security interest in equipment in accordance with chapter 336, article 9, and may enforce the purchase money security interest in accordance with chapters 336, article 9, and 565.

Sec. 39. Minnesota Statutes 1994, section 17.117, is amended by adding a subdivision to read:

Subd. 17. [REFERENDUM EXEMPTION.] For the purpose of obtaining a loan from the commissioner, a local government unit may provide to the commissioner its general obligation note. All obligations incurred by a local government unit in obtaining a loan from the commissioner must be in accordance with chapter 475, except that so long as the obligations are issued to evidence a loan from the commissioner to the local government unit, an election is not required to authorize the obligations issued, and the amount of the obligations shall not be included in determining the net indebtedness of the local government unit under the provisions of any law or chapter limiting the indebtedness.

Sec. 40. [17.231] [NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION INCENTIVE LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall prepare a plan to establish a seed production loan program to provide loans that enable people to begin or expand efforts to develop and produce new, local-origin, native grass, and native wildflower seed species.

(b) In the plan, the commissioner shall use the ecological regions identified by the commissioner of natural resources covering the entire state. In the plan, the commissioner shall design the loan program to produce at least ten local variety native grass species and 40 local variety native wildflower species for each region. In the plan, the commissioner shall look at the possibility of producing 100 acres of native grass seed production and ten acres of native wildflower seed production in each region.

Sec. 41. [17.985] [PASSING ON THE FARM CENTER.]

Subdivision 1. [PURPOSE; OBJECTIVES.] The Passing on the Farm Center is established as a part of Southwest Technical College in Granite Falls to assist individuals beginning farming and family farming operations. The center shall also assist in facilitating the transition of farming operations from established farmers to beginning farmers by creating and maintaining an information base inventorying land and facilities available for acquisition and bringing them together to increase the number of family farming operations in this state. The objectives of the center include, but are not limited to, the following:

(1) using the services of a certified public accountant, real estate agents, and attorneys to provide education in estate planning and farm transfer programs for interested retiring farmers;

(2) assessing needs of beginning farmers and retiring farmers in order to identify program and service opportunities including developing statewide apprenticeship programs between beginning and retiring farmers; and

(3) developing, coordinating, and delivering statewide through Southwest Technical College in Granite Falls and other entities, as appropriate, targeted education to beginning farmers and retiring farm families.

Subd. 2. [PROGRAMS AND SERVICES.] Programs and services provided by the center must include, but are not limited to, the development of skills and knowledge in farm estate planning and other topics related to intergenerational farm transfer. The center shall develop and distribute a detailed questionnaire for interested retired farmers and landowners and beginning farmers for the purpose of connecting them with each other and to develop computerized lists. The center shall coordinate to the extent practicable with agricultural information centers.

Subd. 3. [ANNUAL REPORT.] The center shall submit a report annually to the legislature on or before February 1. The report shall include, but is not limited to, recommendations for methods by which more individuals may be encouraged to enter agriculture.

Sec. 42. Minnesota Statutes 1994, section 28A.03, is amended to read:

28A.03 [DEFINITIONS.]

As used in sections 28A.01 to 28A.16 the terms defined in this section shall have the following meanings:

- (a) "Commissioner" means the commissioner of agriculture of the state of Minnesota.
 - (b) "Person" means any individual, firm, corporation, company, association, cooperative or partnership and includes any trustee, receiver, assignee or other similar representative thereof.
 - (c) "Place of business" means every location where food or food items are manufactured, processed, sold, stored or handled, including buildings, locations, permanent or portable structures, carnivals, circuses, fairs, or any other permanent or temporary location.
- Any vehicle or similar mobile unit from which food is sold shall be considered a place of business for purposes of this section if the food therefrom has been manufactured, packaged or dispensed from bulk, or processed in any manner thereon.
- (d) "Food" includes every article used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans, whether simple, mixed or compound.
 - (1) "Perishable food" is food which includes, but is not limited to fresh fruits, fresh vegetables, and other products which need protection from extremes of temperatures in order to avoid decomposition by microbial growth or otherwise.
 - (2) "Readily perishable food" is food or a food ingredient consisting in whole or in part of milk, milk products, eggs, meat, fish, poultry or other food or food ingredient which is capable of supporting rapid and progressive growth of infectious or toxigenic microorganisms.
 - (3) "Frozen food" is food which is processed and preserved by freezing in accordance with good commercial practices and which is intended to be sold in the frozen state.
 - (4) For the purposes of this definition, packaged food in hermetically sealed containers processed by heat to prevent spoilage; packaged pickles; jellies, jams and condiments in sealed containers; bakery products such as bread, rolls, buns, donuts, fruit-filled pies and pastries; dehydrated packaged food; and dry or packaged food so low in moisture content as to preclude development of microorganisms are not "perishable food," "readily perishable food," or "frozen food" within the meaning of definitions (1), (2) and (3) herein when they are stored and handled in accordance with good commercial practices.
 - (e) "Sell and sale" includes the keeping, offering, or exposing for sale, use, transporting, transferring, negotiating, soliciting, or exchange of food, the having in possession with intent to sell, use, transport, negotiate, solicit, or exchange the same and the storing, or carrying thereof in aid of traffic therein whether done or permitted in person or through others.
 - (f) "Principal mode of business" means that type of business described under either (a), (b), (c) or (d) in section 28A.05 within which category the greatest amount of the applicant's food business lies.
 - (g) "Custom processor" means a person who slaughters animals or processes noninspected meat for the owner of the animals, and returns the meat products derived from the slaughter or processing to the owner. "Custom processor" does not include a person who slaughters animals or poultry or processes meat for the owner of the animals or poultry on the farm or premises of the owner of the animals, meat, or poultry. For the purpose of this clause, "animals" or "meat" do not include poultry or game animals or meat derived therefrom.
 - (h) "Major violation" includes conditions that cause food products to become adulterated, as defined in section 31.121, or fraudulently misbranded, as defined in section 31.123.

Sec. 43. Minnesota Statutes 1994, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

Subdivision 1. [GENERAL.] License fees, penalties for late renewal of licenses, and penalties

for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner.

Subd. 2. [FEES FOR FISCAL YEAR 1996.]

Type of food handler	License Fee Effective <u>July 1, 1995</u>	Penalties	
		Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 40 <u>42</u>	\$ 15	\$ 25
(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year	\$ 55 <u>58</u>	\$ 15	\$ 25
(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$ 405 <u>111</u>	\$ 35	\$ 75
(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 480 <u>191</u>	\$ 50	\$100
(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 500 <u>530</u>	\$100	\$175
(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$ 700 <u>742</u>	\$150	\$300
(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$ 800 <u>848</u>	\$200	\$350
2. Wholesale food handler			
(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$ 50	\$ 15	\$ 15
(b) Having gross sales or service of less than \$25,000 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$ 200 <u>212</u>	\$ 50	\$100
(b) (c) Having \$250,000 to			

	<u>\$1,000,000 gross sales or service from a mobile unit without a separate food storage facility for the immediately previous license or fiscal year</u>	<u>\$318</u>	<u>\$ 75</u>	<u>\$150</u>
	(d) Having \$250,000 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$ 400 <u>424</u>	\$100	\$200
	(e) (e) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$ 500 <u>530</u>	\$125	\$250
	(d) (f) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 575 <u>610</u>	\$150	\$300
3.	Food broker	\$ 400 <u>106</u>	\$ 30	\$ 50
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$ 275 <u>292</u>	\$ 75	\$150
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 400 <u>424</u>	\$100	\$200
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 500 <u>530</u>	\$125	\$250
	(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 575 <u>610</u>	\$150	\$300
5.	Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$ 150 <u>159</u>	\$ 50	\$ 75
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 225 <u>239</u>	\$ 75	\$125
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 275 <u>292</u>	\$ 75	\$150
	(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 325 <u>345</u>	\$100	\$175
6.	Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$ 10	\$ 15
7.	Nonresident frozen dairy			

8.	manufacturer Wholesale food manufacturer processing less than 70,000 pounds per year of cultured dairy food as defined in section 32.486, subdivision 1, paragraph (b)	\$200	\$ 50	\$ 75
9.	A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 30	\$ 10	\$ 15
		\$ 50	\$ 15	\$ 25

Subd. 3. [FEES EFFECTIVE JULY 1, 1996.]

<u>Type of food handler</u>		<u>License Fee Effective July 1, 1996</u>	<u>Penalties Late Renewal</u>	<u>No License</u>
1.	<u>Retail food handler</u>			
	<u>(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner</u>	<u>\$ 45</u>	<u>\$ 15</u>	<u>\$ 25</u>
	<u>(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$ 61</u>	<u>\$ 15</u>	<u>\$ 25</u>
	<u>(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$118</u>	<u>\$ 35</u>	<u>\$ 75</u>
	<u>(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$202</u>	<u>\$ 50</u>	<u>\$100</u>
	<u>(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$562</u>	<u>\$100</u>	<u>\$175</u>
	<u>(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$787</u>	<u>\$150</u>	<u>\$300</u>
	<u>(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$899</u>	<u>\$200</u>	<u>\$350</u>
2.	<u>Wholesale food handler</u>			
	<u>(a) Having gross sales or service of less than \$25,000 for the immediately previous</u>			

	license or fiscal year	\$ 50	\$ 15	\$ 15
	(b) Having \$25,000 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$225	\$ 50	\$100
	(c) Having \$250,000 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	\$337	\$ 75	\$150
	(d) Having \$250,000 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$449	\$100	\$200
	(e) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$562	\$125	\$250
	(f) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$647	\$150	\$300
3.	Food broker	\$112	\$ 30	\$ 50
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$310	\$ 75	\$150
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$449	\$100	\$200
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$562	\$125	\$250
	(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$647	\$150	\$300
5.	Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$169	\$ 50	\$ 75
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$253	\$ 75	\$125
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$310	\$ 75	\$150
	(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$366	\$100	\$175

6.	<u>Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese</u>	<u>\$ 30</u>	<u>\$ 10</u>	<u>\$ 15</u>
7.	<u>Nonresident frozen dairy manufacturer</u>	<u>\$200</u>	<u>\$ 50</u>	<u>\$ 75</u>
8.	<u>Wholesale food manufacturer processing less than 70,000 pounds per year of cultured dairy food as defined in section 32.486, subdivision 1, paragraph (b)</u>	<u>\$ 30</u>	<u>\$ 10</u>	<u>\$ 15</u>
9.	<u>A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer</u>	<u>\$ 50</u>	<u>\$ 15</u>	<u>\$ 25</u>

Sec. 44. [28A.085] [REINSPECTION FEES.]

Subdivision 1. [VIOLATIONS; PROHIBITED ACTS.] The commissioner may charge a reinspection fee for each reinspection of a food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32, 33, or 34, or rules adopted under one of those chapters;

(2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a follow-up inspection after an administrative meeting held pursuant to section 31.14; or

(3) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at \$25. The fee for a firm with gross food sales over \$1,000,000 is \$50. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Subd. 2. [MARKET WITHDRAWAL; FOOD SAFETY EMERGENCY.] A food handler that requires a reinspection due to adulteration or misbranded foods that result in a food being recalled from commerce may be assessed for reasonable and direct reinspection costs incurred by the commissioner, including personnel, travel, laboratory analysis, and attorney general costs. Reinspection related to floods, earthquakes, storms, accidental fires, and power outages are excluded. The commissioner, upon request of the food handler, shall provide, within a reasonable time, an estimate of the anticipated cost for resolving the food safety emergency.

Subd. 3. [MANNER AND TIMING OF PAYMENT.] Unless an appeal is filed under subdivision 5, a food handler must pay all fees and assessments in the manner and timing requested by the commissioner. If a timely appeal is requested, the fees and assessments are stayed until a decision on the appeal is issued by the hearing officer. A license may not be renewed until all fees and penalties under this chapter are paid.

Subd. 4. [DEPOSIT; APPROPRIATION.] All reinspection fees and assessments collected must be deposited in the state treasury and are credited to an account in the special revenue fund. Money in the account, including interest accrued, is appropriated to the commissioner to pay the expenses relating to reinspections conducted under the chapters listed in subdivision 1.

Subd. 5. [APPEALS.] Food handlers may appeal reinspection fees and assessments to the department hearing officer within 30 days of receipt of the notice of fee assessment. The appeal must be submitted to the commissioner in writing.

Sec. 45. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 1a. [ETHANOL PRODUCTION GOAL.] It is a goal of the state that ethanol production plants in the state attain a total annual production level of 220,000,000 gallons.

Sec. 46. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 2a. [DEFINITIONS.] For the purposes of this section the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal, grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification D 4806-88; and

(2) is denatured with unleaded gasoline or rubber hydrocarbon solvent as defined in Code of Federal Regulations, title 27, parts 211 and 212, as adopted by the Bureau of Alcohol, Tobacco and Firearms of the United States Treasury Department.

(b) "Wet alcohol" means agriculturally derived fermentation ethyl alcohol having a purity of at least 50 percent but less than 99 percent.

(c) "Anhydrous alcohol" means fermentation ethyl alcohol derived from agricultural products as described in paragraph (a), but that does not meet ASTM specifications or is not denatured and is shipped in bond for further processing.

(d) "Ethanol plant" means a plant at which ethanol, anhydrous alcohol, or wet alcohol is produced.

Sec. 47. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 3a. [PAYMENTS.] (a) The commissioner of agriculture shall make cash payments to producers of ethanol, anhydrous alcohol, and wet alcohol located in the state. These payments shall apply only to ethanol, anhydrous alcohol, and wet alcohol fermented in the state and produced at plants that have begun production by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production is:

(1) except as provided in paragraph (b), for each gallon of ethanol or anhydrous alcohol produced on or before June 30, 2000, or ten years after the start of production, whichever is later, 20 cents per gallon; and

(2) for each gallon produced of wet alcohol on or before June 30, 2000, or ten years after the start of production, whichever is later, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon.

The producer payments for anhydrous alcohol and wet alcohol under this section may be paid to either the original producer of anhydrous alcohol or wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(b) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant and the increased production begins by June 30, 2000, the payment under paragraph (a), clause (1), applies to the additional increment of production until ten years after the increased production began.

(c) The commissioner shall make payments to producers of ethanol or wet alcohol in the amount of 1.5 cents for each kilowatt hour of electricity generated using closed-loop biomass in a cogeneration facility at an ethanol plant located in the state. Payments under this paragraph shall be made only for electricity generated at cogeneration facilities that begin operation by June 30, 2000. The payments apply to electricity generated on or before the date ten years after the

producer first qualifies for payment under this paragraph. Total payments under this paragraph in any fiscal year may not exceed \$750,000. For the purposes of this paragraph:

(1) "closed-loop biomass" means any organic material from a plant that is planted for the purpose of being used to generate electricity or for multiple purposes that include being used to generate electricity; and

(2) "cogeneration" means the combined generation of:

(i) electrical or mechanical power; and

(ii) steam or forms of useful energy, such as heat, that are used for industrial, commercial, heating, or cooling purposes.

(d) The total payments under paragraphs (a) and (b) to all producers may not exceed \$30,000,000 in a fiscal year. Total payments under paragraphs (a) and (b) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol, anhydrous alcohol, and wet alcohol production during the preceding three calendar months. A producer with more than one plant shall file a separate claim for each plant. A producer shall file a separate claim for the original production capacity of each plant and for each additional increment of production that qualifies under paragraph (b). A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol, anhydrous alcohol, and wet alcohol production in Minnesota during the quarter covered by the claim, including anhydrous alcohol and wet alcohol produced or received from an outside source. A producer shall file a separate claim for any amount claimed under paragraph (c). For each claim and statement of total ethanol, anhydrous alcohol, and wet alcohol production filed under this subdivision, the volume of ethanol, anhydrous alcohol, and wet alcohol production or amounts of electricity generated using closed-loop biomass must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. The total quarterly payment to a producer under this paragraph, excluding amounts paid under paragraph (c), may not exceed \$750,000. If the total amount for which all producers are eligible in a quarter under paragraphs (a) and (b) exceeds \$7,500,000, the commissioner shall make payments in the order in which the portion of production capacity covered by each claim went into production. If the total amount of ethanol or wet alcohol production reported for a quarter under paragraph (e) equals or exceeds 55,000,000 gallons:

(1) payments under this subdivision do not apply to the amount produced in excess of 55,000,000 gallons;

(2) the commissioner shall make payments to producers in the order in which the portion of production capacity covered by each claim began production; and

(3) only those producers that receive payments for the quarter, or received payments under paragraph (a) or (b) in an earlier quarter, will be eligible for future ethanol or wet alcohol production payments under this subdivision.

(g) If the total amount for which all producers are eligible in a quarter under paragraph (c) exceeds the amount available for payments, the commissioner shall make payments in the order in which the plants covered by the claims began generating electricity using closed-loop biomass.

Sec. 48. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 5a. [EXPIRATION.] This section expires June 30, 2010, and the unobligated balance of each appropriation under this section on that date reverts to the general fund.

Sec. 49. Minnesota Statutes 1994, section 41B.02, subdivision 20, is amended to read:

Subd. 20. [ETHANOL PRODUCTION FACILITY.] "Ethanol production facility" means a

facility that ferments, distills, dewateres, or otherwise produces ethanol as defined in section 41A.09, subdivision 2 2a, paragraph (a).

Sec. 50. Minnesota Statutes 1994, section 41B.03, subdivision 6, is amended to read:

Subd. 6. [APPLICATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application submitted for a beginning farmer loan or a seller-sponsored loan. The application fee is initially \$50. The authority may review the fee annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the beginning farmer and seller-sponsored loan programs.

Sec. 51. Minnesota Statutes 1994, section 41B.04, subdivision 17, is amended to read:

Subd. 17. [APPLICATION AND ORIGINATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the loan restructuring program. The origination fee is 1.5 percent of the authority's participation interest in the loan and the application fee is \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the loan restructuring program.

Sec. 52. Minnesota Statutes 1994, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. [LOAN PARTICIPATION.] The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$50,000~~ \$100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 53. Minnesota Statutes 1994, section 41B.043, subdivision 2, is amended to read:

Subd. 2. [SPECIFICATIONS.] No direct loan may exceed \$35,000 or ~~\$50,000~~ \$100,000 for a loan participation or be made to refinance an existing debt. Each direct loan and participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 54. Minnesota Statutes 1994, section 41B.043, subdivision 3, is amended to read:

Subd. 3. [APPLICATION AND ORIGINATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or participation and an origination fee for each direct loan issued under the agricultural improvement loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the agricultural improvement loan program.

Sec. 55. Minnesota Statutes 1994, section 41B.045, subdivision 2, is amended to read:

Subd. 2. [LOAN PARTICIPATION.] The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. Participation is limited to 45 percent of the principal amount of the loan or ~~\$100,000~~ \$250,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan. Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

Sec. 56. Minnesota Statutes 1994, section 41B.046, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "Agricultural commodity" has the meaning given in section 17.90.

(4) (2) "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~~ agricultural commodities, including waste and residues from ~~agriculture crops~~ agricultural commodities, but, except as provided in subdivision 4a, not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(2) (3) "Value-added agricultural product" means a product derived from an agricultural ~~crops~~ commodity, including waste and residues from agricultural ~~crops~~ commodities, but, except as provided in subdivision 4a, not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Sec. 57. Minnesota Statutes 1994, section 41B.046, is amended by adding a subdivision to read:

Subd. 4a. [CERTAIN LIVESTOCK PROCESSING FACILITIES ELIGIBLE.] An applicant may be eligible for a loan under this section if:

(1) the facility is owned and operated by a cooperative organized under chapter 308A. For purposes of this subdivision, "owned and operated" includes a contractual arrangement with another entity to provide management and operations services for a facility owned by the cooperative; and

(2) its agricultural product processing facility is located in Minnesota and operated primarily for the processing of livestock.

Sec. 58. Minnesota Statutes 1994, section 84.631, is amended to read:

84.631 [ROAD EASEMENTS ACROSS STATE LANDS.]

Except as provided in section 85.015, subdivision 1b, the commissioner, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction other than school trust land, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts. The commissioner shall:

(1) require the applicant to pay the market value of the easement;

(2) provide that the easement reverts to the state in the event of nonuse; and

(3) impose other terms and conditions of use as necessary and appropriate under the circumstances.

Sec. 59. Minnesota Statutes 1994, section 84.788, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of ~~50 cents~~ \$2 in addition to other fees prescribed by law is charged for each off-highway motorcycle registered by:

(1) a deputy registrar and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-highway motorcycle account.

Sec. 60. Minnesota Statutes 1994, section 84.798, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; ISSUANCE.] Application for registration or continued registration must be made to the commissioner, or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-road vehicle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall register the off-road vehicle and assign a registration number that must be affixed to the vehicle in accordance with subdivision 4. A deputy registrar of motor vehicles acting under section 168.33 is also a deputy registrar of off-road vehicles. The commissioner of natural resources in cooperation with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of ~~50 cents~~ \$2 in addition to other fees prescribed by law must be charged for each off-road vehicle registered by:

(1) a deputy registrar, and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-road vehicle account.

Sec. 61. Minnesota Statutes 1994, section 84.82, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS, ADDITIONAL FEE.] (a) Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner of public safety shall prescribe, and shall state the name and address of every owner of the snowmobile and be signed by at least one owner.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary registration permit to each purchaser who applies to the dealer for registration. The temporary registration is valid for 60 days from the date of issue. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. Upon receipt of the application and the appropriate fee as hereinafter provided, such snowmobile shall be registered and a registration number assigned which shall be affixed to the snowmobile in such manner as the commissioner of natural resources shall prescribe.

(c) Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(d) A fee of ~~50 cents~~ \$2 in addition to that otherwise prescribed by law shall be charged for:

(1) each snowmobile registered by the registrar or a deputy registrar; and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or

(2) each snowmobile registered by the commissioner and the additional fee shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 62. Minnesota Statutes 1994, section 84.922, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] (a) Application for registration or continued registration shall be made to the commissioner of natural resources, the commissioner of public safety or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the vehicle and be signed by at least one owner.

(b) Upon receipt of the application and the appropriate fee the commissioner shall register the vehicle and assign a registration number that must be affixed to the vehicle in a manner prescribed by the commissioner. The commissioner shall use the snowmobile registration system to register vehicles under this section.

(c) Each deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of all-terrain vehicles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(d) A fee of ~~50 cents~~ \$2 in addition to other fees prescribed by law shall be charged for each vehicle registered by:

(1) a deputy registrar, and shall be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner, and shall be deposited to the state treasury and credited to the all-terrain vehicle account in the natural resources fund.

Sec. 63. Minnesota Statutes 1994, section 84.943, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] Appropriations transferred to the critical habitat private sector matching account and money credited to the account under section 168.1296, subdivision 5, may be expended only to the extent that they are matched equally with contributions to the account from private sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations transferred to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Sec. 64. [84.964] [INTERAGENCY NATIVE VEGETATION TASK FORCE.]

(a) An interagency task force on native plant conservation is established composed of the commissioners or their designees of the departments of agriculture, natural resources, transportation, and the pollution control agency and the executive director or designee of the board of water and soil resources. The commissioner of natural resources or the commissioner's designee shall chair the task force.

(b) The purpose of the task force is to identify priority conservation needs for native plants and their habitats in the ecological regions of the state, and to coordinate implementation of interagency programs to address those needs. The task force shall also ensure, to the greatest extent practicable, that native plant species and communities are maintained, enhanced, restored, or established on public lands, and are promoted on private lands.

Sec. 65. Minnesota Statutes 1994, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. (a) The governor shall appoint, except for the legislative members, a citizen's council on Voyageurs National Park; consisting of 17 members as follows:

Four residents of Koochiching county;

Four residents of St. Louis county;

Five residents of the state at large from outside Koochiching and St. Louis counties;

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

(b) The governor shall designate one of the appointees to serve as chair and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent

differing viewpoints and interest groups on the facilities included in and around the park. ~~Legislator~~ Legislative members shall serve for the term of the legislative office to which they were elected. The terms, compensation and removal of ~~nonlegislator~~ nonlegislative members of the council shall be as provided in section 15.059. Notwithstanding section 15.059, subdivision 5, the council shall continue to exist.

(c) The executive committee of the council consists of the legislative members and the chair. The executive committee shall act on matters of personnel, out-of-state trips by members of the council, and nonroutine monetary issues.

Sec. 66. Minnesota Statutes 1994, section 85.015, is amended by adding a subdivision to read:

Subd. 1b. [EASEMENTS FOR INGRESS AND EGRESS.] Notwithstanding section 16A.695, when a trail is established under this section, a private property owner who has a preexisting right of ingress and egress over the trail right-of-way is granted, without charge, a permanent easement for ingress and egress purposes only. The easement is limited to the preexisting crossing and reverts to the state upon abandonment. Nothing in this subdivision is intended to diminish or alter any written or recorded easement that existed before the state acquired the land for the trail.

Sec. 67. Minnesota Statutes 1994, section 85.015, subdivision 11, is amended to read:

Subd. 11. [WILLARD MUNGER TRAIL, RAMSEY, ANOKA, WASHINGTON, CHISAGO, PINE, AND CARLTON COUNTIES.] (a) The trail shall originate in the vicinity of Arden Hills, Ramsey county, and thence extend northeasterly, traversing Anoka and Washington counties to the vicinity of Taylors Falls in Chisago county; thence northwesterly and northerly to St. Croix state park in Pine county; thence northerly to Jay Cooke state park in Carlton county, and there terminate.

(b) The trail shall be developed primarily for riding and hiking.

(c) Additional trails shall be established that extend the Willard Munger trail to include Proctor and Hermantown in St. Louis county.

Sec. 68. Minnesota Statutes 1994, section 85.019, is amended to read:

85.019 [GRANTS IN AID FOR RECREATIONAL BETTERMENT LOCAL RECREATION GRANTS.]

Subdivision 1. [DEFINITIONS DEFINITION.] (a) For purposes of this section, the terms in this subdivision have the meanings given, except as otherwise expressly provided or indicated by the context.

(b) "Athletic courts" means special surface area and supporting equipment or structures, such as nets, hoops, and walls, that can be used for active games that have definite boundaries and are played on a marked surface, limited to basketball, volleyball, handball, and tennis.

(c) "Metropolitan council" and "metropolitan area" have the meanings given in section 473.121.

(d) "unit of government" means a county, city and statutory or home rule charter city, or town; school district, public post-secondary educational institution, special park district, or an elected park and recreation board having control over parks, parkways, playgrounds, and trees in a city of the first class.

Subd. 2. [GRANTS FOR PARKS AND TRAILS OUTDOOR RECREATION AREAS.] The commissioner shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States Office of Management and Budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for up to 50 percent of the costs or \$50,000, whichever is less, of acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos, and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to

~~the legislative advisory commission regarding the expenditures. The local contribution required shall be not less than ten percent. The program shall be administered so as to ensure the maximum possible use of available federal money outdoor recreation areas and facilities.~~

~~Subd. 3. [GRANTS FOR TRAILS IN LOCAL PARKS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for recreational trails in parks owned and operated by units of government. A grant shall not exceed 40 percent of the costs of the betterment of the trail. To be eligible for a grant, a unit of government must provide at least ten percent of the cost of the betterment of the trail.~~

~~Subd. 4. [GRANTS FOR LOCAL OUTDOOR ATHLETIC COURTS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for local athletic courts. A grant may not exceed 50 percent of the costs of the betterment of the athletic court. To be eligible for a grant, a unit of government must provide at least 50 percent of the costs of the betterment of the athletic court. In making grants the commissioner shall consider, among other factors, evidence of cooperation between units of government, local need and available financial resources, and court locations that encourage maximum use, patronage, and availability.~~

~~Subd. 4a. [GRANTS FOR NATURAL AND SCENIC AREAS.] The commissioner shall administer a program to provide grants to units of government and school districts for the acquisition and betterment of natural and scenic areas such as blufflands, prairies, shorelands, wetlands, and wooded areas. A grant may not exceed 50 percent or \$50,000, whichever is less, of the costs of acquisition and betterment of land acquired under this subdivision.~~

~~Subd. 5. [POWERS; RULES.] The commissioner has all powers necessary and convenient to establish programs for recreational betterment grants in aid for parks, trails, and athletic courts under implement this section, including the authority to adopt rules for the program under chapter 14.~~

Sec. 69. Minnesota Statutes 1994, section 85.32, subdivision 1, is amended to read:

Subdivision 1. [AREAS MARKED.] The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark canoe and boating routes on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre, and Crow rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe and watercraft travelers.

Sec. 70. Minnesota Statutes 1994, section 85A.02, subdivision 17, is amended to read:

Subd. 17. [ADDITIONAL POWERS.] The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. The board shall have a policy admitting elementary school children at no charge when they are part of an organized school activity. The Minnesota zoological garden ~~must be open to the public without admission charges at least two days each month~~ will offer free admission throughout the year to economically disadvantaged Minnesota citizens equal to ten percent of the average annual attendance. However, the zoo may charge at any time for parking, special services, and for admission to special facilities for the education, entertainment, or convenience of visitors. The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items.

Sec. 71. [MINNESOTA ZOO FREE ADMISSION PLAN.]

By July 1, 1995, the board shall develop a plan to implement the offer of free admission to economically disadvantaged Minnesota citizens, and provide a copy of the plan to the chairs of the senate environment and natural resources finance division and the house environment and natural resources finance committee.

Sec. 72. Minnesota Statutes 1994, section 86.72, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise specifically provided, federal reimbursements and match money received for the purposes described in this chapter, regardless of the source of state match, credit or value used to earn the reimbursement or match, other than the federal match for state money appropriated to the local recreation and natural areas grant-in-aid account, and other than the federal great river road money, shall in the first instance be credited to a federal receipt account by the state agency receiving the reimbursement or match. Any state department or agency, including the Minnesota historical society and the University of Minnesota, that receives reimbursements or matching money as described above shall transfer those amounts to the natural resources federal reimbursement account. Amounts sufficient to pay the costs incurred by the department of natural resources in administering federal reimbursements are appropriated annually to the commissioner from the federal receipt account.

Sec. 73. Minnesota Statutes 1994, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A \$5 surcharge is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands. ~~The surcharge is \$5 until December 31, 1996, and \$3 thereafter.~~

Sec. 74. Minnesota Statutes 1994, section 86B.415, subdivision 8, is amended to read:

Subd. 8. [REGISTRAR'S FEE.] ~~(a)~~ In addition to the license fee, a fee of ~~50 cents~~ \$2 shall be charged for a watercraft license:

(1) issued through the registrar or a deputy registrar of motor vehicles;

~~(b) and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or~~

(2) issued through the commissioner and the additional fee shall be deposited in the state treasury and credited to the water recreation account.

Sec. 75. Minnesota Statutes 1994, section 86B.870, subdivision 1, is amended to read:

Subdivision 1. [FEES.] (a) The fee to be paid to the commissioner:

(1) for issuing an original certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$15;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$10;

(3) for transferring the interest of an owner and issuing a new certificate of title, is \$10;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, is \$1; and

(5) for issuing a duplicate certificate of title, is \$4.

(b) In addition to other statutory fees and taxes, a filing fee of ~~\$3.25~~ \$3.50 is imposed on every application. The filing fee must be shown as a separate item on title renewal notices sent by the commissioner.

Sec. 76. Minnesota Statutes 1994, section 89.001, subdivision 8, is amended to read:

Subd. 8. "Forest resources" means those natural assets of forest lands, including timber and other forest crops; biological diversity; recreation; fish and wildlife habitat; wilderness; rare and distinctive flora and fauna; air; water; soil; and educational, aesthetic, and historic values.

Sec. 77. [89.021] [Subd. 45.] [SHOOTING AREA WITHIN SAND DUNES STATE FOREST.] The commissioner of natural resources shall design and establish a noncompetitive recreational shooting area within Sand Dunes state forest. The area shall be suitable for sighting in legal handguns, rifles, and shotguns.

Discharge of firearms for purposes other than lawful hunting is prohibited on state lands in the Sand Dunes State Forest, except in the area developed as a shooting area. Discharge of firearms for the purpose of lawful hunting is permitted during the open seasons for taking of wild animals unless restricted by rule.

Sec. 78. [89A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purpose of this chapter, have the meanings given.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the forest resources research advisory committee established under section 89A.08.

Subd. 3. [BIOLOGICAL DIVERSITY.] "Biological diversity" means the variety and abundance of species, their genetic composition, and the communities and landscapes in which they occur, including the ecological structures, functions, and processes occurring at all of these levels.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources or agent of the commissioner.

Subd. 5. [COUNCIL.] "Council" means the Minnesota forest resources council established by section 89A.03.

Subd. 6. [DEPARTMENT.] "Department" means the department of natural resources.

Subd. 7. [FOREST RESOURCES.] "Forest resources" has the meaning given in section 89.001, subdivision 8.

Subd. 8. [GUIDELINES.] "Guidelines" means the comprehensive timber harvesting and forest management guidelines developed under section 89A.05.

Subd. 9. [LANDSCAPE.] "Landscape" means a heterogenous land area composed of interacting sustainable forest resources that are defined by natural features and socially defined attributes.

Subd. 10. [LANDSCAPE-LEVEL.] "Landscape-level" means typically long-term or broad-based efforts that may require extensive analysis or planning over large areas that may involve or require coordination across land ownerships.

Subd. 11. [REGIONAL COMMITTEE.] "Regional committee" means a regional forest resources committee established under section 89A.06.

Subd. 12. [SITE-LEVEL.] "Site-level" means efforts affecting operational procedures used in the planning and implementation of timber harvesting and forest management activities on an individual site or local scale.

Subd. 13. [SUSTAINABLE.] "Sustainable" means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Sec. 79. [89A.02] [POLICY.]

It is the policy of the state to:

(1) pursue the sustainable management, use, and protection of the state's forest resources to achieve the state's economic, environmental, and social goals;

(2) encourage cooperation and collaboration between public and private sectors in the management of the state's forest resources;

(3) recognize and consider forest resource issues, concerns, and impacts at the site and landscape levels; and

(4) recognize the broad array of perspectives regarding the management, use, and protection of the state's forest resources, and establish processes and mechanisms that seek and incorporate these perspectives in the planning and management of the state's forest resources.

Nothing in this chapter abolishes, repeals, or negates any existing authorities, policies, programs, or activities of the commissioner or other statutory authorities related to managing and protecting state's forest resources.

Sec. 80. [89A.03] [MINNESOTA FOREST RESOURCES COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The Minnesota forest resources council has 13 members appointed by the governor. Council membership must include one representative from each of the following:

- (1) an organization representing environmental interests within the state;
- (2) an organization representing the interests of management of game species;
- (3) a conservation organization;
- (4) an association representing forest products industry within the state;
- (5) a commercial logging contractor active in a forest product association;
- (6) a statewide association representing the resort and tourism industry;
- (7) a faculty or researcher of a Minnesota research or higher educational institution;
- (8) an owner of nonindustrial, private forest land of 40 acres or more;
- (9) an agricultural woodlot owner;
- (10) the department;
- (11) a county land commissioner who is a member of the Minnesota association of county land commissioners;
- (12) the United States Forest Service unit with land management responsibility in Minnesota;
and
- (13) a labor organization with membership having an interest in forest resource issues.

Subd. 2. [PURPOSE.] The council shall develop recommendations to the governor and to federal, state, county, and local governments with respect to forest resource policies and practices that result in the sustainable management, use, and protection of the state's forest resources. The policies and practices must:

- (1) acknowledge the interactions of complex sustainable forest resources, multiple ownership patterns, and local to international economic forces;
- (2) give equal consideration to the long-term economic, ecological, and social needs and limits of the state's forest resources;
- (3) foster the productivity of the state's forests to provide a diversity of sustainable benefits at site levels and landscape levels;
- (4) enhance the ability of the state's forest resources to provide future benefits and services;
- (5) foster no net loss of forest land in Minnesota;
- (6) encourage appropriate mixes of forest cover types and age classes within landscapes to promote biological diversity and viable forest-dependent fish and wildlife habitats;
- (7) encourage collaboration and coordination with multiple constituencies in planning and managing the state's forest resources; and

(8) address the environmental impacts and their mitigations as recommended in the generic environmental impact statement on timber harvesting.

Subd. 3. [COUNCIL MEETINGS.] The council shall establish procedures for conducting its meetings in accordance with section 471.705 that include provisions for seeking and incorporating public input.

Subd. 4. [COUNCIL OFFICERS AND STAFF.] The council shall elect a chair from among its members. The council may employ an executive director and administrative assistant. Technical expertise that will enable the council to carry out its functions must be provided to the council by those interests represented on the council.

Subd. 5. [MEMBERSHIP REGULATION.] Terms, compensation, nomination, appointment, and removal of council members are governed by section 15.059. Section 15.059, subdivision 5, does not govern the expiration date of the council.

Subd. 6. [REPORT.] By January 1, 1997, the council shall prepare a report to the governor and legislature on the status of the state's forest resources, and strategic directions to provide for their management, use, and protection. Information generated by the reporting requirements in this chapter must be incorporated in the council's report. To the extent possible, the council's report must also identify the activities and accomplishments of various programs that directly affect the state's forest resources.

Subd. 7. [REVIEW OF FOREST RESOURCES PLAN AND ASSESSMENT.] The council shall undertake a review of the forest resource management plan and forest assessment requirements contained in section 89.011, and report to the commissioner no later than July 1, 1996, on the appropriateness and effectiveness of these requirements, including recommendations for enhancing existing forest resource planning processes. The council shall review draft statewide and district forest resource planning documents, and incorporate the findings, including any recommendation, of such reviews in its biennial report specified in subdivision 6.

Sec. 81. [89A.04] [PARTNERSHIP.]

It is the policy of the state to encourage forest landowners, forest managers, and loggers to establish a partnership in which the implementation of council recommendations can occur in a timely and coordinated manner across ownerships. The partnership shall serve as a forum for discussing operational implementation issues and problem solving related to forest resources management and planning concerns, and be responsive to the recommendations of the council. This partnership shall also actively foster collaboration and coordination among forest managers and landowners in addressing landscape-level operations and concerns. In fulfilling its responsibilities as identified in this chapter, the council shall seek input from and consult with the partnership.

Sec. 82. [89A.05] [TIMBER HARVESTING AND FOREST MANAGEMENT GUIDELINES.]

Subdivision 1. [DEVELOPMENT.] The council shall coordinate the development of comprehensive timber harvesting and forest management guidelines. The guidelines must address the water, air, soil, biotic, recreational, and aesthetic resources found in forest ecosystems by focusing on those impacts commonly associated with applying site-level forestry practices. The guidelines must reflect a range of practical and sound practices based on the best available scientific information, and be integrated to minimize conflicting recommendations while being easy to understand and implement. Best management practices previously developed for forest management must be incorporated into the guidelines. The council shall periodically review and, when deemed necessary, update the guidelines.

Subd. 2. [ECONOMIC CONSIDERATIONS.] Before the implementation of timber harvesting and forest management guidelines, new site-level practices and landscape-level programs, the council shall analyze the costs of new site-level practices and landscape-level programs. When the analysis concludes that new landscape-level programs and site-level practices will result in adverse economic effects, including decreased timber supply and negative effects on tourism, opportunities to offset those effects must be explored. The council shall also:

(1) identify and quantify forest and timberland acreages that will no longer be available for harvest; and

(2) encourage public resource agencies to provide sustainable, predictable supplies of high-quality forest resource benefits, including timber supplies that are consistent with their multiple mandates and diverse management objectives. These benefits should be provided by public resource agencies in proportion to their forest land's capability to do so.

Subd. 3. [APPLICATION.] The timber harvesting and forest management guidelines are voluntary. Prior to their actual use, the council shall develop guideline implementation goals for each major forest land ownership category. If the information developed as a result of the monitoring programs established in section 89A.07 indicates the implementation goals for the guidelines are not being met and the council determines significant adverse impacts are occurring, the council shall recommend to the governor additional measures to address those impacts. The council shall incorporate the recommendations as part of the council's biennial report required by section 89A.03, subdivision 6.

Sec. 83. [89A.06] [LANDSCAPE-LEVEL FOREST RESOURCE PLANNING AND COORDINATION.]

Subdivision 1. [FRAMEWORK.] The council shall establish a framework that will enable long-range strategic planning and landscape coordination to occur, to the extent possible, across all forested regions of the state and across all ownerships. The framework must include:

(1) identification of the landscapes within which long-range strategic planning of forest resources can occur, provided that the landscapes must be delineated based on broadly defined ecological units and existing classification systems, yet recognize existing political and administrative boundaries and planning processes;

(2) a statement of principles and goals for landscape-based forest resource planning; and

(3) identification of a general process by which landscape-based forest resource planning can occur, provided that the process must give considerable latitude to design planning processes that fit the unique needs and resources of each landscape; reflect a balanced consideration of the economic, social, and environmental conditions and needs of each landscape; and interface and establish formats that are compatible with other landscape-based forest resource plans.

Subd. 2. [REGIONAL FOREST RESOURCE COMMITTEES.] To foster landscape-based forest resource planning, the council shall establish regional forest resource committees. The regional committees must:

(1) include representative interests in a particular region that are committed to and involved in landscape planning and coordination activities;

(2) serve as a forum for landowners, managers, and representative interests to discuss landscape forest resource issues;

(3) identify and implement an open and public process whereby landscape-based strategic planning of forest resources can occur;

(4) identify sustainable forest resource goals for the landscape and strategies to achieve those goals; and

(5) provide a regional perspective to the council with respect to council activities.

Subd. 3. [REGIONAL COMMITTEE OFFICERS AND STAFF.] Each regional committee shall elect a chair from among its members. The council shall ensure regional committees have sufficient staff resources to carry out their mission as defined in this section.

Subd. 4. [REPORT.] Each regional committee shall report to the council its work activities and accomplishments.

Sec. 84. [89A.07] [MONITORING.]

Subdivision 1. [FOREST RESOURCE MONITORING.] The commissioner shall establish a program for monitoring broad trends and conditions in the state's forest resources at statewide, landscape, and site levels. The council shall provide oversight and program direction for the development and implementation of the monitoring program. To the extent possible, the information generated under the monitoring program must be reported in formats consistent with the landscape regions used to accomplish the planning and coordination activities specified in section 89A.06. To the extent possible, the program must incorporate data generated by existing resource monitoring programs. The commissioner shall report to the council information on current conditions and recent trends in the state's forest resources.

Subd. 2. [PRACTICES AND COMPLIANCE MONITORING.] The commissioner shall establish a program for monitoring silvicultural practices and application of the timber harvesting and forest management guidelines at statewide, landscape, and site levels. The council shall provide oversight and program direction for the development and implementation of the monitoring program. To the extent possible, the information generated by the monitoring program must be reported in formats consistent with the landscape regions used to accomplish the planning and coordination activities specified in section 89A.06. The commissioner shall report to the council on the nature and extent of silvicultural practices used, and compliance with the timber harvesting and forest management guidelines.

Subd. 3. [EFFECTIVENESS MONITORING.] The commissioner, in cooperation with other research and land management organizations, shall evaluate the effectiveness of practices to mitigate impacts of timber harvesting and forest management activities on the state's forest resources. The council shall provide oversight and program direction for the development and implementation of this monitoring program.

Subd. 4. [OTHER STUDIES AND PROGRAMS.] The council shall monitor the implementation of other programs, formal studies, and initiatives affecting Minnesota's forest resources.

Subd. 5. [CITIZEN CONCERNS.] The council shall facilitate the establishment of a process to accept comments from the public on negligent timber harvesting or forest management practices. Comments must also be directed to the organization administering the certification program.

Sec. 85. [89A.08] [RESEARCH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] The council shall appoint a forest resources research advisory committee. The committee must consist of representatives of:

- (1) the college of natural resources, University of Minnesota;
- (2) the natural resources research institute, University of Minnesota;
- (3) the department;
- (4) the north central forest experiment station, United States Forest Service; and
- (5) other organizations as deemed appropriate by the council.

Subd. 2. [PURPOSE.] The purpose of the advisory committee is to foster the identification and undertaking of priority forest resources research activities by encouraging:

- (1) collaboration between organizations with responsibilities for conducting forest resources research;
- (2) linkages between researchers in different disciplines in conducting forest resources research; and
- (3) interaction and communication between researchers and practitioners in the development and use of forest resources research.

Subd. 3. [RESEARCH ASSESSMENT.] The advisory committee shall periodically undertake an assessment of strategic directions in forest resources research. The assessment must be based on input provided by administrators, researchers, practitioners, and the general public, and include:

- (1) an assessment of the current status of forestry resources research in the state;
- (2) an identification of important forest resource issues in need of research;
- (3) an identification of priority forest research activities whose results will enable a better understanding of site-level and landscape-level impacts resulting from timber harvesting and forest management activities; and
- (4) an assessment of the progress toward addressing the priority forest resources research needs identified.

The forest resources research assessment must be made widely available to the research community, forest managers and users, and the public.

Subd. 4. [RESEARCH DELIVERY.] Based on the priority forest resources research activities identified in subdivision 3, the advisory committee shall promote these research needs and the dissemination of findings to the research community, forest managers and users, and the public.

Subd. 5. [RESEARCH AND PRACTITIONER LINKAGES.] The advisory committee shall periodically facilitate forums to increase communications between the individuals and organizations conducting forest resources research and the users of the research.

Subd. 6. [REPORT.] The advisory committee shall report to the council its accomplishments in fulfilling the responsibilities identified in this section.

Sec. 86. [89A.09] [INTERAGENCY INFORMATION COOPERATIVE.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall coordinate the establishment of an interagency information cooperative. Members of the cooperative must include:

- (1) the department;
- (2) the land management information center;
- (3) the Minnesota association of county land commissioners;
- (4) the United States Forest Service; and
- (5) other organizations as deemed appropriate by the commissioner.

Subd. 2. [PURPOSE.] The purposes of the cooperative are to:

- (1) coordinate the development and use of forest resources data in the state;
- (2) promote the development of statewide guidelines and common language to enhance the ability of public and private organizations and institutions to share forest resources data;
- (3) promote the development of information systems that support access to important forest resources data;
- (4) promote improvement in the accuracy, reliability, and statistical soundness of fundamental forest resources data;
- (5) promote linkages and integration of forest resources data to other natural resource information;
- (6) promote access and use of forest resources data and information systems in decision-making by a variety of public and private organizations;
- (7) promote expanding the capacity and reliability of forest growth, succession, and other types of ecological models; and
- (8) conduct a needs assessment for improving the quality and quantity of information systems.

Subd. 3. [REPORT.] The information cooperative shall report to the council its accomplishments in fulfilling the responsibilities identified in this section.

Sec. 87. [89A.10] [CONTINUING EDUCATION; CERTIFICATION.]

It is the policy of the state to encourage timber harvesters and forest resource professionals to establish voluntary certification and continuing education programs within their respective professions. The council shall, where appropriate, facilitate the development of these programs.

Sec. 88. [DATES FOR INITIAL APPOINTMENTS AND REPORT.]

The governor shall make the appointments to the forest resources council established by Minnesota Statutes, section 89A.03, by October 1, 1995.

Sec. 89. Minnesota Statutes 1994, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision ~~shall be deposited into the permanent school trust fund. However, in fiscal years 1994 and 1995, this money must be credited to the lakeshore leasing and sales account in the permanent school fund and, subject to appropriation, may be used~~ is appropriated for use to survey, appraise, and pay associated selling and leasing costs of lots as required in this section and section 92.67, subdivision 3. The money may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling and leasing costs of lots, as required in this section and section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.

Sec. 90. Minnesota Statutes 1994, section 97C.305, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2, a person over age 16 and under age 65 required to possess an angling license must have a trout and salmon stamp in possession to:

(1) take fish by angling in:

(1) (i) a stream designated by the commissioner as a trout stream;

(2) (ii) a lake designated by the commissioner as a trout lake; or

(3) (iii) Lake Superior; or

(2) possess trout or salmon taken in the state by angling.

Sec. 91. Minnesota Statutes 1994, section 103A.43, is amended to read:

103A.43 [WATER ASSESSMENTS AND REPORTS.]

(a) The environmental quality board shall evaluate and report to the legislative water commission and the legislative commission on Minnesota resources on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included.

(b) The environmental quality board shall work with the pollution control agency and the department of agriculture to coordinate a biennial assessment and analysis of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water. The assessment and analysis must include an analysis of relevant monitoring data.

(c) The environmental quality board shall work with the department of natural resources to coordinate an assessment and analysis of the quantity of surface and ground water in the state and the availability of water to meet the state's needs.

(d) The environmental quality board shall coordinate and submit a report on water policy including the analyses in paragraphs (a) to (c) to the legislative water commission and the legislative commission on Minnesota resources by September 15 of each even-numbered year. The report may include the groundwater policy report in section 103A.204.

Sec. 92. Minnesota Statutes 1994, section 103D.335, subdivision 19, is amended to read:

Subd. 19. [OPEN SPACE AND GREENBELTS.] The managers may prepare an open space and greenbelt map of the lands of the watershed district that should be preserved and included in the open space and greenbelt land areas of the watershed district. The map must be made available to the counties and local municipalities for inclusion in floodplain and shoreland ordinances. The managers may control the use and development of land in the floodplain and the greenbelt and open space areas of the watershed district. The managers may adopt, amend, or repeal rules to control encroachments, the changing of land contours, the placement of fill and structures, and the placement of encumbrances or obstructions, and may require a landowner to remove fill, structures, encumbrances, or other obstructions and restore the previously existing land contours and vegetation. The managers may by rule provide a procedure for the watershed district to do the work required and assess its cost against the affected property as a special assessment. The rules apply only in the absence of county or municipal ordinances regulating the items set forth in this subdivision. The rules must be adopted in accordance with section 103D.341. Except as provided in section 103D.345, subdivision 3, rules adopted under this subdivision apply to the state.

Sec. 93. Minnesota Statutes 1994, section 103F.725, subdivision 1a, is amended to read:

Subd. 1a. [FINANCIAL ASSISTANCE; LOANS.] (a) Up to ~~\$10,000,000~~ \$12,000,000 of the balance in the water pollution control revolving fund in section 446A.07, as determined by the public facilities authority shall be appropriated to the commissioner for the establishment of a clean water partnership loan program.

(b) The agency may award loans for up to 100 percent of the costs associated with activities

identified by the agency as best management practices pursuant to section 319 and section 320 of the federal Water Quality Act of 1987, as amended, including associated administrative costs.

(c) Loans may be used to finance clean water partnership grant project eligible costs not funded by grant assistance.

(d) The interest rate, at or below market rate, and the term, not to exceed 20 years, shall be determined by the agency in consultation with the public facilities authority.

(e) The repayment must be deposited in the water pollution control revolving fund under section 446A.07.

(f) The local unit of government receiving the loan is responsible for repayment of the loan.

(g) For the purpose of obtaining a loan from the agency, a local government unit may provide to the agency its general obligation note. All obligations incurred by a local government unit in obtaining a loan from the agency must be in accordance with chapter 475, except that so long as the obligations are issued to evidence a loan from the agency to the local government unit, an election is not required to authorize the obligations issued, and the amount of the obligations shall not be included in determining the net indebtedness of the local government unit under the provisions of any law or chapter limiting the indebtedness.

Sec. 94. Minnesota Statutes 1994, section 103H.151, is amended by adding a subdivision to read:

Subd. 4. [EVALUATION.] The commissioners of agriculture and the pollution control agency shall, through field audits and other appropriate means, monitor the use and effectiveness of best management practices developed and promoted under this section. The information collected must be submitted to the environmental quality board, which must include the information in the report required in section 103A.43, paragraph (d).

Sec. 95. Minnesota Statutes 1994, section 103I.331, subdivision 4, is amended to read:

Subd. 4. [LANDOWNER WELL SEALING CONTRACTS.] (a) A county, or contracted local unit of government, may contract with landowners to share the cost of sealing priority wells in accordance with criteria established by the board of water and soil resources.

(b) The county must use the funds allocated from the board of water and soil resources to pay up to 75 percent, but not more than \$2,000 of the cost of sealing priority wells. The board, with the assistance of the department of health, may review and approve a request above \$2,000 for sealing a priority well.

(c) A well sealing contract must provide that:

(1) sealing is done in accordance with this chapter and rules of the commissioner of health relating to sealing of unused wells;

(2) payment is made to the landowner, after the well is sealed by a contractor licensed under this chapter; and

(3) the contractor must file a sealed well report and a copy of the well record with the commissioner of health.

Sec. 96. Minnesota Statutes 1994, section 115A.03, subdivision 29, is amended to read:

Subd. 29. [SEWAGE SLUDGE.] "Sewage sludge" means the solids and associated liquids in municipal wastewater which are encountered and concentrated by a municipal wastewater treatment plant solid, semisolid, or liquid residue generated during the treatment of domestic sewage in a treatment works. It includes, but is not limited to, scum or solids removed in primary, secondary, or advanced wastewater treatment processes and a material derived from sewage sludge. Sewage sludge does not include ash generated during the firing of sewage sludge in a sewage sludge incinerator residues and or grit, scum, or and screenings removed from other solids during treatment generated during preliminary treatment of domestic sewage in a treatment works.

Sewage sludge that is acceptable and beneficial for recycling on land as a soil conditioner and nutrient source is also known as biosolids.

Sec. 97. Minnesota Statutes 1994, section 115A.908, subdivision 3, is amended to read:

Subd. 3. [REPEALER.] This section is repealed on ~~December 31, 1996~~ July 1, 1997.

Sec. 98. Minnesota Statutes 1994, section 115B.20, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) The environmental response, compensation, and compliance account is in the environmental fund in the state treasury and may be spent only for the purposes provided in subdivision 2.

(b) The commissioner of finance shall administer a response account for the agency and the commissioner of agriculture to take removal, response, and other actions authorized under subdivision 2, clauses (1) to (4) and (11) to (13). The commissioner of finance shall transfer money from the response account to the agency and the commissioner of agriculture to take actions required under subdivision 2, clauses (1) to (4) and (11) to (13).

(c) The commissioner of finance shall administer the account in a manner that allows the commissioner of agriculture and the agency to utilize the money in the account to implement their removal and remedial action duties as effectively as possible.

(d) Amounts appropriated to the commissioner of finance under this subdivision shall not be included in the department of finance budget but shall be included in the pollution control agency and department of agriculture budgets.

(e) All money recovered by the state under section 115B.04 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, must be credited to the environmental response, compensation, and compliance account in the environmental fund and is appropriated to the commissioner of natural resources for purposes of subdivision 2, clause (6), consistent with any applicable term of judgments, consent decrees, consent orders, or other administrative actions requiring payments to the state for such purposes. Before making an expenditure of money appropriated under this paragraph, the commissioner of natural resources shall provide written notice of the proposed expenditure to the chairs of the senate committee on finance, the house of representatives committee on ways and means, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance.

Sec. 99. Minnesota Statutes 1994, section 115B.25, subdivision 1a, is amended to read:

Subd. 1a. [ACCOUNT.] Except when another account is specified, "account" means the ~~harmful substance compensation~~ environmental response, compensation, and compliance account established in section ~~115B.26~~ 115B.20.

Sec. 100. Minnesota Statutes 1994, section 115B.26, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] ~~The amount necessary to pay for staff assistance, administrative services, and office space under section 115B.28, subdivision 4, and to pay claims of compensation granted by the board agency under sections 115B.25 to 115B.37 is appropriated to the board agency from the account.~~

Sec. 101. Minnesota Statutes 1994, section 115B.41, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION AND RECOVERY OF COSTS.] (a) A person who is subject to the requirements in section 115B.40, subdivision 4 or 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~~ solid waste fund established in section 115B.42.

Sec. 102. Minnesota Statutes 1994, section 115B.42, is amended to read:

115B.42 ~~[LANDFILL CLEANUP ACCOUNT]~~ SOLID WASTE FUND.

Subdivision 1. [ESTABLISHMENT; APPROPRIATION; SEPARATE ACCOUNTING.] (a) ~~The landfill cleanup account~~ solid waste fund is established in the ~~environmental fund in the~~ state treasury. The ~~account~~ fund consists of money credited to the ~~account~~ fund and interest earned on the money in the ~~account~~ fund. Except as provided in section 115B.42, subdivision 2, clause ~~(9)~~ (7), money in the ~~account~~ fund 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~~ fund from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, and all other sources of revenue.

Subd. 2. [EXPENDITURES.] (a) Money in the ~~account~~ fund may be spent by the commissioner to:

- (1) 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;
- (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. 103. Minnesota Statutes 1994, 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 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 an account in the special revenue fund. Money in this account is annually appropriated to the commissioner for purposes of administering the subdivision.

Sec. 104. Minnesota Statutes 1994, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section ~~16A.128~~ 16A.1285 ~~establishing the amounts and methods of collection of any a system for charging permit fees collected under this subdivision.~~ The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), and section ~~16A.128, subdivision 1~~ 16A.1285, subdivision 2, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title subchapter V of the federal Clean Air Act Amendments of 1990, ~~Public Law Number 101-549, Statutes at Large, volume 104, pages 2399, United States code, title 42, section 7401 et seq., or section 116.081.~~ The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title subchapter V of the federal Clean Air Act Amendments of 1990, ~~Public Law Number 101-549, Statutes at Large, volume 104, pages 2399, United States Code, title 42, section 7401 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.~~

(c) The agency shall adopt fee rules in accordance with the procedures in section ~~16A.128, subdivisions 1a and 2a~~ 16A.1285, subdivision 5, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) ~~in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program;~~

(2) ~~for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and~~

(3) ~~for fiscal year 1994 and thereafter, (2) the agency fee rules may also result in the collection,~~

in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (2) (1) that is regulated under ~~Minnesota Rules, this chapter 7005, or for which a state primary ambient air quality standard has been adopted~~ or air quality rules adopted under this chapter.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year ~~beginning after fiscal year 1993~~ by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

Sec. 105. Minnesota Statutes 1994, section 116.12, subdivision 1, is amended to read:

Subdivision 1. [FEE SCHEDULES.] The agency shall establish the fees provided in subdivisions 2 and 3 in the manner provided in section ~~16A.128~~ 16A.1285 to cover ~~the amount~~ expenditures of amounts appropriated from the environmental fund to the agency for permitting, monitoring, inspection, and enforcement expenses of the hazardous waste activities of the agency.

~~The legislature may appropriate additional amounts from the general fund that need not be covered by fees, in order to assure adequate funding for the regulatory and enforcement functions of the agency related to hazardous waste. All fees collected by the agency under this section shall be deposited in the environmental fund.~~

Sec. 106. [116.125] [NOTIFICATION OF FEE INCREASES.]

Before the pollution control agency adopts a fee increase to cover an unanticipated shortfall in revenues, the commissioner shall give written notice of the proposed increase to the chairs of the senate committee on finance, the house of representatives committee on ways and means, the senate and house of representatives environment and natural resources committees, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance.

Sec. 107. Minnesota Statutes 1994, section 116.96, subdivision 5, is amended to read:

Subd. 5. [REGULATED POLLUTANT.] "Regulated pollutant" means:

- (1) a volatile organic compound that participates in atmospheric photochemical reactions;
- (2) a pollutant for which a national ambient air quality standard has been promulgated;
- (3) a pollutant that is addressed by a standard promulgated under section 7411 or 7412 of the Clean Air Act; or

(4) any pollutant that is regulated under ~~Minnesota Rules, this chapter 7005, or for which a state ambient air quality standard has been adopted~~ or air quality rules adopted under this chapter.

Sec. 108. [116.991] [SMALL BUSINESS ENVIRONMENTAL LOAN PROGRAM.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Clean Air Act" means the federal Clean Air Act, United States Code, title 42, section 7401 et seq.

(c) "Commissioner" means the commissioner of the pollution control agency.

Subd. 2. [ESTABLISHMENT.] A small business environmental revolving loan program is established to provide loans to small businesses for purposes of complying with the Clean Air Act.

Subd. 3. [ELIGIBLE BORROWER.] To be eligible for a loan under this section, a borrower must:

- (1) need to make a process change or equipment purchase to comply with the Clean Air Act;
- (2) have less than 50 full-time employees;
- (3) have an after-tax profit of less than \$500,000; and
- (4) have a net worth of less than \$1,000,000.

Subd. 4. [LOAN APPLICATION PROCEDURE.] An eligible borrower may apply for a loan after the commissioner determines the business is subject to Clean Air Act requirements and approves the process change or equipment needed to achieve compliance. The commissioner shall consider the order in which applications are received in awarding loans and may give priority to applicants that are subject to standards adopted under United States Code, title 42, section 7412. The commissioner shall decide whether to award a loan to an eligible borrower based on:

- (1) the applicant's financial need;
- (2) the applicant's ability to repay the loan; and
- (3) the expected environmental benefit.

Subd. 5. [LIMITATION ON LOAN OBLIGATION.] A loan made under this section is limited to the money available in the small business environmental loan account.

Subd. 6. [LOAN CONDITIONS.] A loan made under this section must:

- (1) have an interest rate that is the lesser of four percent or 50 percent of prime rate;
- (2) have a term of payment of not more than seven years; and
- (3) be in an amount not less than \$1,000 or more than \$50,000.

Sec. 109. [116.992] [SMALL BUSINESS ENVIRONMENTAL LOAN ACCOUNT.]

The small business environmental loan account is established in the environmental fund. Repayments of loans made under section 116.991 must be credited to this account.

Sec. 110. Minnesota Statutes 1994, section 116C.69, subdivision 3, is amended to read:

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Until June 30, 1992, the assessment shall also include an amount sufficient to cover 60 percent

~~of the costs to the pollution control agency of achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, reprinting informational booklets on acid rain, and costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The commissioner of the pollution control agency must prepare a work plan and budget and submit them annually by June 30 to the pollution control agency board. The agency board must take public testimony on the budget and work plan. After the agency board approves the work plan and budget they must be submitted annually to the legislative water commission for review and recommendation before an assessment is levied. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, for reprinting informational booklets on acid rain, and for costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.~~

Sec. 111. Minnesota Statutes 1994, section 116P.11, is amended to read:

116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the earnings generated from the trust fund. Earnings generated from the trust fund shall equal the amount of interest on debt securities and dividends on equity securities. Gains and losses arising from the sale of securities shall be apportioned as follows:

(1) if the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b), it shall be added to the principal of the fund; and

(2) if the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from the gains in paragraph (a) apportioned to that fiscal year. If such gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

(b) For funding projects until fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1990 and 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1992 and up to 15 percent of the revenue deposited in the fund in fiscal year 1993;

(3) for the 1993-1995 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1994 and 1995, to be expended only for capital investments in parks and trails; and

(4) for the 1995-1997 biennium, up to ~~ten~~ 25 percent of the revenue deposited in the fund in fiscal year 1996, to be expended only for capital investments in parks and trails.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 112. [168.1296] [SPECIAL CRITICAL HABITAT LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The registrar shall issue special critical habitat license plates to an applicant who:

- (1) is an owner or joint owner of a passenger automobile, pickup truck, or van;
- (2) pays a fee determined by the registrar to cover the costs of handling and manufacturing the plates;
- (3) pays the registration tax required under section 168.013;
- (4) pays the fees required under this chapter;
- (5) contributes at least \$30 annually to the Minnesota critical habitat private sector matching account established in section 84.943; and
- (6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] After consultation with interested groups, the commissioner of natural resources and the registrar shall jointly select a suitable symbol for use by the registrar to design the special plates.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile, pickup truck, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. [CONTRIBUTION AND FEES CREDITED.] Contributions under subdivision 1, clause (5), must be paid to the registrar and credited to the Minnesota critical habitat private sector matching account established in section 84.943. The fees collected under this section must be deposited in the highway user tax distribution fund.

Subd. 6. [RECORD.] The registrar shall maintain a record of the number of special plates issued under this section.

Sec. 113. [177.435] [FACILITY CONSTRUCTION; PREVAILING WAGE.]

Construction of value-added agricultural product processing facility financed in whole or in part with a loan or grant provided under section 41A.035, 41B.044, or 41B.046 is a "project" as that term is defined in section 177.42, subdivision 2. Contracts for the construction or expansion of a value-added agricultural product processing facility that is a project under this section must comply with section 177.43 if the loan or grant agreement was entered into on or after December 31, 1995.

Sec. 114. Minnesota Statutes 1994, section 239.011, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND POWERS.] To carry out the responsibilities in section 239.01 and subdivision 1, the director:

(1) shall take charge of, keep, and maintain in good order the standard of weights and measures of the state and keep a seal so formed as to impress, when appropriate, the letters "MINN" and the date of sealing upon the weights and measures that are sealed;

(2) has general supervision of the weights, measures, and weighing and measuring devices offered for sale, sold, or in use in the state;

(3) shall maintain traceability of the state standards to the national standards of the National Institute of Standards and Technology;

(4) shall enforce this chapter;

(5) shall grant variances from department rules, within the limits set by rule, when appropriate

to maintain good commercial practices or when enforcement of the rules would cause undue hardship;

(6) shall conduct investigations to ensure compliance with this chapter;

(7) may delegate to division personnel the responsibilities, duties, and powers contained in this section;

(8) shall test annually, and approve when found to be correct, the standards of weights and measures used by the division, by a town, statutory or home rule charter city, or county within the state, or by a person using standards to repair, adjust, or calibrate commercial weights and measures;

(9) shall inspect and test weights and measures kept, offered, or exposed for sale;

(10) shall inspect and test, to ascertain if they are correct, weights and measures commercially used to:

(i) determine the weight, measure, or count of commodities or things sold, offered, or exposed for sale, on the basis of weight, measure, or count; and

(ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;

(11) shall approve for use and mark weights and measures that are found to be correct;

(12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:

(i) are not corrected within the time specified by the director;

(ii) are used or disposed of in a manner not specifically authorized by the director; or

(iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

(14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;

(15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;

(16) shall inspect and test petroleum products in accordance with this chapter and chapter 296;

(17) shall distribute and post notices for used motor oil and used motor oil filters and lead acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115;

(18) shall collect inspection fees in accordance with sections 239.10 and 239.101; and

(19) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:

(i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 9000, Guide 25;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by a governing body appointed by the European Economic Community; and

(iii) providing calibration and consultation services to metrology laboratories in government and private industry in the United States.

Sec. 115. Minnesota Statutes 1994, section 239.54, is amended to read:

239.54 [INSPECTION OF MOTOR OIL AND AUTOMOTIVE BATTERY RETAILERS.]

The division shall produce, print, and distribute the notices required by sections 325E.11 and 325E.115 and shall inspect all places where motor oil is and motor oil filters are offered for sale by persons subject to section 325E.11 and where lead acid batteries are offered for sale at retail subject to section 325E.115 at least once every two years to determine compliance with those sections. In performing its duties under this section the division may inspect any place, building, or premises governed by sections 325E.11 and 325E.115. Authorized employees of the division may issue warnings and citations to persons who fail to comply with the requirements of those sections.

Sec. 116. Minnesota Statutes 1994, section 239.791, subdivision 8, is amended to read:

Subd. 8. ~~[DISCLOSURE.] A person responsible for the product who delivers, distributes, sells, or offers to sell gasoline in a carbon monoxide control area, during a carbon monoxide control period refinery or terminal, shall provide, at the time of delivery gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline sold or transferred before October 1, 1997, the bill or manifest must state: "This fuel must not be sold at retail or used in a carbon monoxide control area." For nonoxygenated gasoline sold or transferred after September 30, 1997, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline when the gasoline is dispensed into the supply tanks of motor vehicles between refineries, between terminals, or between a refinery and a terminal.~~

Sec. 117. Minnesota Statutes 1994, section 296.02, is amended by adding a subdivision to read:

Subd. 7a. [TAX CREDIT FOR AGRICULTURAL ALCOHOL GASOLINE.] Until October 1, 1997, a distributor shall be allowed a credit on each gallon of denatured ethanol commercially blended with gasoline or blended in a tank truck with gasoline on which the tax imposed by subdivision 1 is due and payable. Denatured ethanol is defined in section 296.01, subdivision 13. The amount of the credit for every gallon of denatured ethanol blended with gasoline to produce agricultural alcohol gasoline is:

- (1) until October 1, 1995, 15 cents;
- (2) until October 1, 1996, eight cents; and
- (3) until October 1, 1997, five cents.

The credit allowed a distributor must not exceed the total tax liability under subdivision 1. The tax credit received by a distributor on denatured ethanol blended with motor fuels shall be passed on to the retailer.

Sec. 118. Minnesota Statutes 1994, section 325E.10, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 325E.11 to 325E.113 and this section, the terms defined in this section have the meanings given them.

Sec. 119. Minnesota Statutes 1994, section 325E.11, is amended to read:

325E.11 [COLLECTION FACILITIES; NOTICE.]

(a) Any person selling at retail or offering motor oil or motor oil filters for retail sale in this state shall:

(1) ~~post a notice indicating the nearest location, or a location within ten miles of the point of sale, where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse; or~~

~~(2) provide a collection tank at the point of sale for the deposit and collection of used motor oil and if the person is subject to section 325E.112, post a notice of the availability of the tank informing customers purchasing motor oil or motor oil filters of the location of the used motor oil and used motor oil filter collection site established by the retailer in accordance with section 325E.112 where used motor oil and used motor oil filters may be returned at no cost.~~

(b) A notice under paragraph (a) shall be posted on or adjacent to the motor oil ~~display itself~~ and motor oil filter displays, be at least 8-1/2 inches by 11 inches in size, contain the universal recycling symbol with the following language:

(1) "It is illegal to put used oil and used motor oil filters in the garbage.";

(2) "Recycle your used oil and used motor oil filters."; and

(3)(i) "There is a free collection tank site here for your used oil and used motor oil filters."; or

(ii) ~~"The nearest~~ There is a free collection tank site for used oil is and used motor oil filters located at (name of business and street address)."

(c) The division of weights and measures under the department of public service shall enforce compliance ~~of with~~ this section as provided in section 239.54. The pollution control agency shall enforce compliance with this section under sections 115.071 and 116.072 in coordination with the division of weights and measures.

Sec. 120. [325E.112] [USED MOTOR OIL AND USED MOTOR OIL FILTER COLLECTION.]

Subdivision 1. [COLLECTION.] (a) Retailers that sell at an individual location more than 1,000 motor oil filters per calendar year at retail for off-site installation must provide for collection of used motor oil and used motor oil filters from the public. Retailers who do not collect the used motor oil and used motor oil filters at their individual locations may meet the requirement by entering into a written agreement with another party whose location is:

(1) within two miles of the retailer's location if the retailer is located:

(i) within the Interstate Highway 494/694 beltway;

(ii) in a home rule charter or statutory city or a town contiguous to the Interstate Highway 494/694 beltway; or

(iii) in a home rule charter or statutory city of over 30,000 population within the metropolitan area as defined in section 473.121; or

(2) within five miles of the retailer's location if the retailer is not in an area described in clause (1).

(b) The written agreement must specify that the other party will accept from the public up to ten gallons of used motor oil and ten used motor oil filters per person per month during normal hours of operation unless: (1) the used motor oil is known to be contaminated with antifreeze, other hazardous waste, or other materials which may increase the cost of used motor oil management and disposal; (2) the storage equipment for that particular waste is temporarily filled to capacity; or (3) the used motor oil or used motor oil filters are from a business.

(c) Persons accepting used motor oil from the public in accordance with this subdivision shall presume that the used motor oil is not contaminated with hazardous waste, provided the person offering the used motor oil is acting in good faith and the person accepting the used motor oil does not have evidence to the contrary. Persons collecting used motor oil from the public must take

precautions to prevent contamination of used motor oil storage equipment. Precautions may include, but are not limited to, keeping a log of persons dropping off used motor oil, securing access to used motor oil storage equipment, or posting signage at the site indicating the proper use of the equipment.

(d) Persons accepting used motor oil and used motor oil filters under paragraph (a), including persons accepting the oil and filters on behalf of the retailer, may not charge a fee when accepting ten gallons or less of used motor oil or ten or fewer used motor oil filters per person per month.

(e) Persons that receive contaminated used motor oil may manage the used motor oil as household hazardous waste through publicly administered household hazardous waste collection programs, with approval from the household hazardous waste program. Used motor oil contaminated with hazardous waste from the public that cannot be managed through a household hazardous waste collection program must be managed as a hazardous waste in accordance with rules adopted by the pollution control agency.

Subd. 2. [REIMBURSEMENT PROGRAM.] A contaminated used motor oil reimbursement program is established to provide partial reimbursement of the costs of disposing of contaminated used motor oil. In order to receive reimbursement, persons who accept used motor oil from the public or parties that they have contracted with to accept used motor oil must provide to the commissioner of the pollution control agency proof of contamination, information on methods the person used to prevent the contamination of used motor oil at the site, a copy of the billing for disposal costs incurred because of the contamination and proof of payment, and a copy of the hazardous waste manifest or shipping paper used to transport the waste. The commissioner shall reimburse a recipient of contaminated used motor oil 90 percent of the costs of properly disposing of the contaminated used motor oil. The commissioner may not reimburse persons who intentionally place contaminants or do not take precautions to prevent contaminants from being placed in used motor oil. Reimbursements made under this subdivision are limited to the money available in the contaminated used motor oil reimbursement account.

Subd. 3. [EDUCATION PROGRAM.] When the commissioner estimates that all funds available under section 325E.113 will not be expended for reimbursements, the commissioner may use the estimated unexpended funds to cover the costs of educating the public and businesses on the provisions of this section and on proper management of used motor oil, used motor oil filters, and other automotive wastes.

Subd. 4. [LIABILITY EXEMPTION.] Persons who accept used motor oil and used motor oil filters from the public are exempt from liability under chapter 115B for the used motor oil, contaminated used motor oil, and used motor oil filters accepted under the provisions of subdivision 1, after the used motor oil, contaminated used motor oil, and used motor oil filters are sent off-site in compliance with rules adopted by the pollution control agency.

Subd. 5. [ENFORCEMENT.] The commissioner of the pollution control agency shall enforce compliance with this section under sections 115.071 and 116.072.

Sec. 121. [325E.113] [CONTAMINATED USED MOTOR OIL REIMBURSEMENT ACCOUNT.]

The contaminated used motor oil reimbursement account is established in the environmental fund. Money in the account is appropriated to the commissioner of the pollution control agency for the commissioner's activities under section 325E.112.

Sec. 122. Minnesota Statutes 1994, section 446A.07, subdivision 8, is amended to read:

Subd. 8. [OTHER USES OF REVOLVING FUND.] The water pollution control revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works where debt was incurred and construction begun after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117, 103F.725, subdivision 1a, 116J.403, and 116J.617, ~~and 462A.05~~; provided that no more than \$2,000,000 of the balance in the fund may be used for the small cities block grant program under section 116J.403 and the tourism loan program under section 116J.617, taken together, ~~and no more than \$2,000,000 of the balance in the fund may be used for home improvement loan programs under section 462A.05~~;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the agency of administering the fund and conducting activities required under the federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

Amounts spent under clause (6) may not exceed the amount allowed under the Federal Water Pollution Control Act.

Sec. 123. Minnesota Statutes 1994, section 446A.071, subdivision 2, is amended to read:

Subd. 2. [SUPPLEMENTAL ASSISTANCE.] The authority may provide supplemental assistance under this section in the form of loans; write-down of principal, interest, or both; or direct grants, as determined by authority rules. The amount and form of the supplemental assistance must be based on the authority's determination of the financial capability of the municipality, the municipality's eligibility to qualify for other grant programs, and the source of funds. In determining the financial capability of the municipality, the authority may not find the municipality to be ineligible based on the level of the municipality's annual sewer service charge if this charge exceeds 1.1 percent of the municipality's annual median household income.

Sec. 124. Minnesota Statutes 1994, section 473.845, subdivision 2, is amended to read:

Subd. 2. [WATER SUPPLY MONITORING AND HEALTH ASSESSMENTS.] ~~Up to ten percent of the~~ Money in the fund may be appropriated to the commissioner of health for water supply monitoring and health assessments. The commissioner shall monitor the quality of water in public water supply wells and may monitor private water supply wells in the metropolitan area that may be affected by their location in relation to a facility for mixed municipal solid waste. Testing under this subdivision must be for substances not funded under the Federal Safe Drinking Water Act. The health assessments must be conducted in areas that may be affected by contaminants from mixed municipal solid waste facilities.

Sec. 125. Minnesota Statutes 1994, section 477A.12, is amended to read:

477A.12 [ANNUAL APPROPRIATIONS; LANDS ELIGIBLE; CERTIFICATION OF ACREAGE.]

(a) There is annually appropriated to the commissioner of natural resources from the general fund for payment to counties within the state an amount equal to:

(1) for acquired natural resources land, \$3 multiplied by the total number of acres of acquired natural resources land or, beginning July 1, 1996, at the county's option three-fourths of one percent of the appraised value of all acquired natural resources land in the county, whichever is greater;

(2) 75 cents multiplied by the number of acres of county-administered other natural resources land; and

(3) 37.5 cents multiplied by the number of acres of commissioner-administered other natural resources land located in each county as of July 1 of each year.

(b) Lands for which payments in lieu are made pursuant to section 97A.061, subdivision 3, and Laws 1973, chapter 567, shall not be eligible for payments under this section. Each county auditor shall certify to the department of natural resources during July of each year the number of acres of county-administered other natural resources land within the county. The department of natural resources may, in addition to the certification of acreage, require descriptive lists of land so certified. The commissioner of natural resources shall determine and certify the number of acres of acquired natural resources land and commissioner-administered natural resources land within each county.

(c) For the purposes of this section, the appraised value of acquired natural resources land is the purchase price for the first five years after acquisition. The appraised value of acquired natural resources land received as a donation is the value determined for the commissioner of natural resources by a licensed appraiser, or the county assessor's estimated market value if no appraisal is done. The appraised value must be determined by the county assessor every five years after the land is acquired.

Sec. 126. Minnesota Statutes 1994, section 477A.14, is amended to read:

477A.14 [USE OF FUNDS.]

Forty percent of the total payment to the county shall be deposited in the county general revenue fund to be used to provide property tax levy reduction. The remainder shall be distributed by the county in the following priority:

(a) ~~42.5~~ 37.5 cents for each acre of county-administered other natural resources land shall be deposited in a resource development fund to be created within the county treasury for use in resource development, forest management, game and fish habitat improvement, and recreational development and maintenance of county-administered other natural resources land. Any county receiving less than \$5,000 annually for the resource development fund may elect to deposit that amount in the county general revenue fund;

(b) From the funds remaining, Within 30 days of receipt of the payment to the county, the county treasurer shall pay each organized township 30 cents per acre of acquired natural resources land and ~~8.5~~ 7.5 cents per acre of other natural resources land located within its boundaries. Payments for natural resources lands not located in an organized township shall be deposited in the county general revenue fund. Payments to counties and townships pursuant to this paragraph shall be used to provide property tax levy reduction. Provided that, if the total payment to the county pursuant to section 477A.12 is not sufficient to fully fund the distribution provided for in this clause, the amount available shall be distributed to each township and the county general revenue fund on a pro rata basis; and

(c) Any remaining funds shall be deposited in the county general revenue fund. Provided that, if the distribution to the county general revenue fund exceeds \$35,000, the excess shall be used to provide property tax levy reduction.

Sec. 127. [DEMONSTRATION PROGRAM RESTRICTIONS.]

(a) During fiscal years 1996 and 1997, loan participants under Minnesota Statutes, section 41B.045, must comply with the restrictions in this section.

(b) To the extent that herd health will not be jeopardized, farms receiving assistance from the authority must be available for tours within the first two years after completion of the expansion.

(c) All livestock expansion loans must be for expansions that include some of the most up-to-date, efficient systems available. Projects must be reviewed by a University of Minnesota extension livestock specialist prior to approval by the authority.

Sec. 128. [HARMFUL SUBSTANCE COMPENSATION BOARD ABOLISHED.]

The harmful substance compensation board is abolished. All responsibilities of the board are transferred to the pollution control agency. Minnesota Statutes, section 15.039, subdivisions 6 and 7, do not apply to this transfer.

Sec. 129. [REFUNDS.]

The commissioner of natural resources shall refund any payments made after August 1, 1991, under Minnesota Statutes, section 84.631, for easements along state trails by private property owners who had preexisting rights of ingress and egress.

Sec. 130. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

(1) change the term "landfill cleanup account" to "solid waste fund" in sections 115B.40, subdivision 4; 115B.41, subdivisions 2 and 3; 115B.44, subdivision 2; 115B.45; and 116.07, subdivision 10; and

(2) change the terms "petroleum tank release cleanup account in the environmental fund" or "petroleum tank release cleanup account" and "account" where it refers to the petroleum tank cleanup account, to "petroleum tank fund" and "fund," respectively, in Minnesota Statutes, sections 115C.02, subdivision 1a; 115C.03, subdivision 9; 115C.04, subdivision 3; 115C.08; 115C.09, subdivisions 3 and 8; 115C.10; and 115C.11, subdivision 2.

Sec. 131. Laws 1992, chapter 558, section 17, is amended to read:

Sec. 17. SCIENCE MUSEUM OF MINNESOTA

200,000

This appropriation is to the Science Museum of Minnesota for ~~planning and working drawings for capital remodeling and additions predesign~~ for the construction of a new Science Museum in the city of St. Paul. This appropriation is from the general fund.

~~The planning and working drawings shall include the use of the site in the city of St. Paul on which the Public Health Building is currently located.~~

Sec. 132. [LIVESTOCK PROCESSING MARKETS TASK FORCE.]

Subdivision 1. [PURPOSE.] Recent changes in the Minnesota agricultural livestock industry, particularly in swine production, have resulted in fewer producers who deliver to processors greatly increased numbers of animals. In many cases these producers are organized as authorized farm corporations, as provided by recent amendments to Minnesota's corporate farming law. There is growing concern as to whether smaller producers who choose not to join large production corporations will find markets for their livestock eliminated or greatly diminished. With reduced markets and lessened competition, the smaller producers are left at a critical economic disadvantage. The study, legislative report, and legislative recommendations authorized by this section will identify ways to assure that competitive markets remain for small and medium-sized producers.

Subd. 2. [CREATION; MEMBERSHIP.] (a) There is hereby created a livestock processing markets task force with ten members appointed as follows:

(1) the chair of the agriculture and rural development committee of the senate shall appoint one citizen member with education and experience in the area of agricultural economics and four members of the senate, at least one of whom must be a member of the minority caucus; and

(2) the chair of the agriculture committee of the house of representatives shall appoint one citizen member who is the operator of a production agriculture farm in the state and four members of the house of representatives, at least one of whom must be a member of the minority caucus.

(b) The chairs must make their respective appointments not later than June 15, 1995.

(c) Citizen members of the task force may be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.

(d) The first meeting of the task force must be called and convened by the chairs of the agriculture policy committees of the senate and the house of representatives. Task force members must then elect a permanent chair from among the task force members.

Subd. 3. [CHARGE.] The task force must examine current and projected impacts of consolidation within the livestock production industry and its effect on the availability of competitive markets for small and medium-sized producers who choose not to become part of corporate enterprises.

Subd. 4. [RESOURCES; STAFF SUPPORT; CONTRACT SERVICES.] The commissioner of agriculture shall provide necessary resources and staff support for the meetings, hearings, activities, and report of the task force. To the extent the task force determines it appropriate to contract with nonstate providers for research or analytical services, the commissioner shall serve as the fiscal agent for the task force.

Subd. 5. [PUBLIC HEARINGS.] The task force shall hold at least four public hearings on the issue of access to markets by small and medium-sized producers of livestock. At least three of the hearings must be held in greater Minnesota.

Subd. 6. [REPORT.] Not later than March 15, 1996, the task force shall report to the legislature on the findings of its study. The report must include recommendations for improvements in Minnesota Statutes that are in the best interests of both large and small livestock producers in the state.

Subd. 7. [EXPIRATION.] The livestock processing markets task force expires 45 days after its report and recommendations are delivered to the legislature or on June 1, 1996, whichever date is earlier.

Sec. 133. [HYDROLOGIC TASK FORCE.]

Subdivision 1. [CREATION.] A task force is created to analyze means of funding interstate flood control modeling, planning, design, and implementation activities for the Red River of the North watershed in Minnesota and North Dakota.

Subd. 2. [COMPOSITION.] The task force shall consist of state legislators whose districts are wholly or partially within the drainage area of the Red River of the North.

Subd. 3. [FUNCTION.] The task force shall establish contact with a similar group of state legislators from the state of North Dakota whose districts are wholly or partially within the drainage area of the Red River of the North in North Dakota. This interstate group of state legislators shall investigate mechanisms to raise funds locally, organizations to collect funds and manage and implement joint programs and projects, and means of determining appropriate interstate cost-sharing for programs and projects. The task force shall develop a report and present it to the appropriate legislative committees prior to the 1997 legislative session.

Sec. 134. [USED MOTOR OIL AND OIL FILTERS; STUDY.]

The office of environmental assistance, with the cooperation of affected retailers, shall conduct a study of the impacts of Minnesota Statutes, section 325E.112, including:

(1) the impacts on retailers subject to the requirements of Minnesota Statutes, section 325E.112;

(2) the likelihood that an increase in the amount of used motor oil and used oil filters collected will result and the expected magnitude of that increase;

(3) the geographical distribution of any expected increase in the collection of used oil and used oil filters; and

(4) whether the costs of the collection requirement is commensurate with the expected increase in collection.

The office shall submit its findings and recommendations to the chairs of the house and senate environment and natural resource committees by January 1, 1996.

Sec. 135. [LICENSE WITHOUT TAG FOR RESIDENTS UNDER AGE 16.]

For the 1995 and 1996 hunting seasons, the commissioner of natural resources may, for a fee of \$5, issue to a resident under the age of 16 a license, without a tag, to take deer with firearms. A person holding a license issued under this section may hunt under the license only if accompanied by a licensed hunter at least 18 years of age who possesses a valid tag. A deer taken by a person holding a license issued under this section must be promptly tagged by a licensed hunter accompanying the person and possessing a valid tag. Minnesota Statutes, section 97B.301, subdivision 6, does not apply to a person holding a license issued under this section.

Sec. 136. [MUZZLE-LOADING FIREARM DEER SEASON.]

For the 1996 and 1997 hunting seasons, a licensed firearms hunter who fails to tag a deer during the regular firearms season may tag a deer during the muzzle-loading firearms season by buying another firearms license and hunting by muzzle-loader. A license to hunt in the muzzle-loading season under this section must be purchased at least five days before the opening day of the muzzle-loading season, except in zone 3B where the license must be purchased before the opening day of the muzzle-loading season.

Sec. 137. [PUBLIC INPUT; REPORT.]

The commissioner of natural resources shall seek public input and comment on sections 135 and 136. By March 1, 1996, the commissioner shall report to the environment and natural resources committees of the legislature with a summary of the public comments received and any recommendations for legislation.

Sec. 138. [CONSOLIDATION OF FUNCTIONS.]

The commissioners of the pollution control agency and natural resources shall develop recommendations for consolidation of the administrative, regional, and support functions of their respective agencies wherever feasible and expected to result in long-term overall cost reductions. By February 1, 1996, the commissioners shall jointly report the recommendations to the chairs of the senate environment and natural resources finance division and the house environment and natural resources finance committee.

Sec. 139. [PERMIT APPLICATION FEES FOR TOWNS.]

Notwithstanding Minnesota Statutes, section 116.07, subdivision 4d, until July 1, 1997, the pollution control agency may not charge a town a stormwater permit application fee of more than \$160 in connection with the construction, reconstruction, or alteration of a town road, bridge, or culvert.

Sec. 140. [WASTEWATER INFRASTRUCTURE FUNDING PROGRAM; REPORT.]

By November 1, 1995, the public facilities authority shall report to the legislative water commission with recommendations for statutory changes that would allow the wastewater infrastructure funding program established in Minnesota Statutes, section 446A.071, to be implemented without the need for rules. The report must include a description of capital expenditures expected to be needed for wastewater treatment projects during fiscal years 1997 and 1998.

Sec. 141. [REPEALER.]

(a) Minnesota Statutes 1994, sections 97B.301, subdivision 5; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 325E.0951, subdivision 5; and Laws 1993, chapter 172, section 10, are repealed.

(b) Sections 78 to 87 are repealed.

(c) Minnesota Statutes 1994, sections 28A.08, subdivision 2; and 446A.071, subdivision 7, are repealed.

(d) Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; and 296.02, subdivision 7, are repealed.

Sec. 142. [EFFECTIVE DATES.]

Sections 2, 5, 7, 20, 42, 44 to 49, 56, 57, 101, 102, 117, and 141, paragraph (d), are effective the day following final enactment.

Sections 114, 115, 118, and 121 are effective January 1, 1996.

Sections 119, 120, and 141, paragraph (c), are effective July 1, 1996.

Section 141, paragraph (b), is effective June 30, 1999."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; adding provisions relating to native vegetation; modifying provisions relating to disposition of certain revenues from state trust lands, sales of software, agricultural and environmental loans and grants, food handlers, ethanol and oxygenated fuels, registration fees for recreational vehicles and boats, the citizen's council on Voyageurs National Park, local recreation grants, state trails and canal and boating routes, zoo admission charges, watercraft surcharge, trout and salmon stamp, deer hunting licenses, water information, watershed district rules, sewage sludge, expenditure of money in the environmental trust fund, well sealing grants, pollution control agency fees, used motor oil and filters, and payments in lieu of taxes; establishing the Passing on the Farm Center; adding provisions relating to forest resource management; establishing special critical habitat license plates; authorizing establishment of a shooting area in Sand Dunes State Forest; abolishing the harmful substance compensation board and account; extending performance reporting requirements; providing for easements across state trails in certain circumstances; establishing a council and task forces; repealing requirements relating to fish taken in Canada; amending Minnesota Statutes 1994, sections 15.50, by adding a subdivision; 15.91, subdivision 1; 16A.125; 16B.405, subdivision 2; 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; 28A.03; 28A.08; 41A.09, by adding subdivisions; 41B.02, subdivision 20; 41B.03, subdivision 6; 41B.04, subdivision 17; 41B.043, subdivisions 1b, 2, and 3; 41B.045, subdivision 2; 41B.046, subdivision 1, and by adding a subdivision; 84.631; 84.788, subdivision 3; 84.798, subdivision 3; 84.82, subdivision 2; 84.922, subdivision 2; 84.943, subdivision 3; 84B.11, subdivision 1; 85.015, subdivision 11, and by adding a subdivision; 85.019; 85.32, subdivision 1; 85A.02, subdivision 17; 86.72, subdivision 1; 86B.415, subdivisions 7 and 8; 86B.870, subdivision 1; 89.001, subdivision 8; 92.46, subdivision 1; 97C.305, subdivision 1; 103A.43; 103D.335, subdivision 19; 103F.725, subdivision 1a; 103H.151, by adding a subdivision; 103I.331, subdivision 4; 115A.03, subdivision 29; 115A.908, subdivision 3; 115B.20, subdivision 1; 115B.25, subdivision 1a; 115B.26, subdivision 2; 115B.41, subdivision 1; 115B.42; 115C.03, subdivision 9; 116.07, subdivision 4d; 116.12, subdivision 1; 116.96, subdivision 5; 116C.69, subdivision 3; 116P.11; 239.011, subdivision 2; 239.54; 239.791, subdivision 8; 296.02, by adding a subdivision; 325E.10, subdivision 1; 325E.11; 446A.07, subdivision 8; 446A.071, subdivision 2; 473.845, subdivision 2; 477A.12; and 477A.14; Laws 1992, chapter 558, section 17; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 84; 89; 116; 168; 177; and 325E; proposing coding for new law as Minnesota Statutes, chapter 89A; repealing Minnesota Statutes 1994, sections 28A.08, subdivision 2; 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; 97B.301, subdivision 5; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 296.02, subdivision 7; 325E.0951, subdivision 5; and 446A.071, subdivision 7; Laws 1993, chapter 172, section 10."

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

Senate Conferees: (Signed) Steven Morse, Bob Lessard, Harold R. "Skip" Finn, Gen Olson

House Conferees: (Signed) Chuck Brown, John J. Sarna, Steve Trimble, Peg Larsen, Virgil J. Johnson

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 106. The motion prevailed.

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on S.F. No. 106 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. 106 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 44 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Krentz	Morse	Riveness
Beckman	Finn	Kroening	Novak	Sams
Berg	Flynn	Langseth	Olson	Samuelson
Berglin	Frederickson	Lessard	Pappas	Solon
Bertram	Hottinger	Marty	Pariseau	Spear
Betzold	Janezich	Merriam	Piper	Stumpf
Chandler	Johnson, D.J.	Metzen	Pogemiller	Vickerman
Chmielewski	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Kelly	Mondale	Ranum	

Those who voted in the negative were:

Belanger	Kiscaden	Larson	Oliver	Stevens
Day	Kleis	Lesewski	Ourada	Terwilliger
Hanson	Knutson	Limmer	Robertson	
Johnson, D.E.	Kramer	Murphy	Runbeck	
Johnston	Laidig	Neuville	Scheevel	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1910 be withdrawn from the Committee on Rules and Administration. The motion prevailed.

H.F. No. 1910: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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 H.F. No. 1910 and that the rules of the Senate be so far suspended as to give H.F. No. 1910 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1910 was read the second time.

Mr. Kelly moved to amend H.F. No. 1910 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1910, and insert the language after the enacting clause, and the title, of S.F. No. 1701, the first engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 1910 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Neuville	Samuelson
Beckman	Johnson, D.E.	Langseth	Novak	Scheevel
Berg	Johnson, D.J.	Larson	Olson	Solon
Berglin	Johnson, J.B.	Lesewski	Ourada	Spear
Bertram	Johnston	Lessard	Pappas	Stevens
Betzold	Kelly	Limmer	Pariseau	Terwilliger
Chandler	Kiscaden	Marty	Piper	Vickerman
Chmielewski	Kleis	Merriam	Pogemiller	Wiener
Day	Knutson	Metzen	Price	
Finn	Kramer	Moe, R.D.	Robertson	
Hanson	Krentz	Morse	Runbeck	
Hottinger	Kroening	Murphy	Sams	

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 House File No. 96, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 96 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 96

A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; proposing coding for new law in Minnesota Statutes, chapter 62A.

May 17, 1995

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. 96, 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. 96 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62A.095] [SUBROGATION CLAUSES REGULATED.]

Subdivision 1. [APPLICABILITY.] No health plan shall be offered, sold, or issued to a resident of this state, or to cover a resident of this state, unless the health plan complies with subdivision 2.

Subd. 2. [SUBROGATION CLAUSE; LIMITS.] No health plan described in subdivision 1 shall contain a subrogation, reimbursement, or similar clause that provides subrogation, reimbursement, or similar rights to the health carrier issuing the health plan, unless:

(1) the clause provides that it applies only after the covered person has received a full recovery from another source; and

(2) the clause provides that the health carrier's subrogation right is subject to subtraction for actual monies paid to account for the pro rata share of the covered person's costs, disbursements, and reasonable attorney fees, and other expenses incurred in obtaining the recovery from another source unless the health carrier is separately represented by an attorney.

If the health carrier is separately represented by an attorney, the health carrier and the covered person, by their attorneys, may enter into an agreement regarding allocation of the covered person's costs, disbursements, and reasonable attorney fees and other expenses. If the health carrier and covered person cannot reach agreement on allocation, the health carrier and covered person shall submit the matter to binding arbitration.

Nothing in this section shall limit a health carrier's right to recovery from another source which may otherwise exist at law.

For the purposes of this section, full recovery does not include payments made by a health plan to or for the benefit of a covered person.

Subd. 3. [RETROACTIVE AMENDMENTS REGULATED.] No addition of, or amendment of, a subrogation, reimbursement, or similar clause in a health plan shall be applied to the disadvantage of a covered person with respect to benefits provided by the health carrier in connection with an injury, illness, condition, or other covered situation that originated prior to the addition of or amendment to the clause.

Sec. 2. [62A.096] [NOTICE OF SUBROGATION CLAIM REQUIRED.]

A person covered by a health carrier who makes a claim against a collateral source for damages that include repayment for medical and medically-related expenses incurred for the covered person's benefit shall provide timely notice, in writing, to the health carrier of the pending or potential claim. Notwithstanding any other law to the contrary, the statute of limitations applicable to the rights with respect to reimbursement or subrogation by the health carrier against the covered person does not commence to run until the notice has been given.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1996, and apply to plans in effect on that date and plans offered, sold, or issued on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; proposing coding for new law in Minnesota Statutes, chapter 62A."

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

House Conferees: (Signed) Dave Bishop, H. Todd Van Dellen, Thomas Pugh

Senate Conferees: (Signed) John C. Hottinger, Harold R. "Skip" Finn, David L. Knutson

Mr. Hottinger moved that the foregoing recommendations and Conference Committee Report on H.F. No. 96 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. 96 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Morse	Runbeck
Beckman	Janezich	Kroening	Murphy	Sams
Berg	Johnson, D.E.	Laidig	Novak	Samuelson
Berglin	Johnson, D.J.	Langseth	Olson	Scheevel
Bertram	Johnson, J.B.	Larson	Ourada	Solon
Betzold	Johnston	Lesewski	Pappas	Spear
Chandler	Kelly	Lessard	Pariseau	Terwilliger
Chmielewski	Kiscaden	Limmer	Piper	Vickerman
Day	Kleis	Marty	Pogemiller	Wiener
Finn	Knutson	Merriam	Price	
Hanson	Kramer	Moe, R.D.	Robertson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Messrs. Pogemiller and Stumpf moved that the reports from the Committee on Education, reported May 17, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Messrs. Pogemiller and Stumpf moved that the foregoing reports be now adopted. The motion prevailed.

Messrs. Pogemiller and Stumpf moved that in accordance with the reports from the Committee on Education, reported May 17, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Terry Anderson, 406 Ave. D, Cloquet, Carlton County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

James Bowlus, 1740 Weston Ln., Plymouth, Hennepin County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

Ellen Doll, 1716 Irving Ave. S., Minneapolis, Hennepin County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

John C. Kim, 9350 Collegeview Rd., Bloomington, Hennepin County, effective March 20, 1993, for a term expiring on the first Monday in January, 1997.

Gary Chin-Fong Liew, 1521 Westminster St., St. Paul, Ramsey County, effective April 27, 1994, for a term expiring on the first Monday in January, 1996.

Gale R. Mitchell, 150 Farrington St., St. Paul, Ramsey County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

Ellen Palmer, 120 W. Soo, P.O. Box 37, Parkers Prairie, Otter Tail County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

Patricia Surrat, Rt. 1, Box 175, Wanamingo, Goodhue County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

DEPARTMENT OF EDUCATION COMMISSIONER

Linda Powell, 15705 - 17th Pl. N., Plymouth, Hennepin County, effective February 1, 1995, for a term expiring on the first Monday in January, 1999.

HIGHER EDUCATION BOARD

Irene Bertram, 9405 Cherry Ln., Corcoran, Hennepin County, effective September 5, 1993, for a term expiring on June 30, 1995.

Steve McElroy, 4994 Upper 147th St. W., Apple Valley, Dakota County, effective June 6, 1994, for a term expiring on June 30, 1995.

Fannie Marshall Primm, 4554 - 5th Ave. S., Minneapolis, Hennepin County, effective July 1, 1993, for a term expiring on June 30, 1996.

Rachel M. Scherer, 1825 Ives Ln. N., Plymouth, Hennepin County, effective July 1, 1993, for a term expiring on June 30, 1998.

Marty Seifert, 111 E. Main St., Marshall, Lyon County, effective September 5, 1993, for a term expiring on June 30, 1995.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Jack Amundson, 911 - 18th St. N., St. Cloud, Stearns County, effective June 1, 1994, for a term expiring on the first Monday in January, 1998.

Kathryn Balstad Brewer, 321 Silver Lake Rd., New Brighton, Ramsey County, effective March 7, 1995, for a term expiring on the first Monday in January, 1999.

Earl Herring, Rt. 1, Box 230C, Detroit Lakes, Otter Tail County, effective March 27, 1993, for a term expiring on the first Monday in January, 1997.

John Hoyt, 4812 Dunberry Ln., Edina, Hennepin County, effective February 26, 1993, for a term expiring on the first Monday in January, 1997.

Tom Martinson, 4536 Oxford Ave. S., Edina, Hennepin County, effective March 7, 1995, for a term expiring on the first Monday in January, 1999.

James R. Miller, 707 Mount Curve Blvd., St. Paul, Ramsey County, effective June 8, 1992, for a term expiring on the first Monday in January, 1996.

Christopher A. Nelson, 4060 Alabama Ave. S., St. Louis Park, Hennepin County, effective June 1, 1994, for a term expiring on the first Monday in January, 1998.

Mollie N. Thibodeau, 407 Wallace Ave., Duluth, St. Louis County, effective June 8, 1992, for a term expiring on the first Monday in January, 1996.

STATE BOARD OF EDUCATION

Jeanne Kling, 904 S.E. Willmar Ave., Willmar, Kandiyohi County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Thomas Lindquist, 12393 Flag Ave. S., Savage, Scott County, effective January, 27, 1993, for a term expiring on the first Monday in January, 1997.

Thomas Peacock, 1507 Lockling Rd., Cloquet, Carlton County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Nedra M. Wicks, 5600 Stenbrae Ct., Rochester, Olmsted County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Georgina Y. Stephens, 875 Laurel Ave., St. Paul, Ramsey County, effective May 13, 1992, for a term expiring on the first Monday in January, 1996.

The motion prevailed. So the appointments were confirmed.

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.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 621: Messrs. Lessard, Berg and Laidig.

S.F. No. 1444: Messrs. Solon, Merriam and Finn.

S.F. No. 1536: Messrs. Langseth, Chmielewski, Ms. Flynn, Mr. Vickerman and Ms. Johnston.

S.F. No. 462: Mses. Johnson, J.B.; Wiener and Mr. Stevens.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Ms. Reichgott Junge was excused from the Session of today at 2:30 p.m. Ms. Pappas was excused from the Session of today from 10:00 a.m. to 12:00 noon.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Friday, May 19, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate